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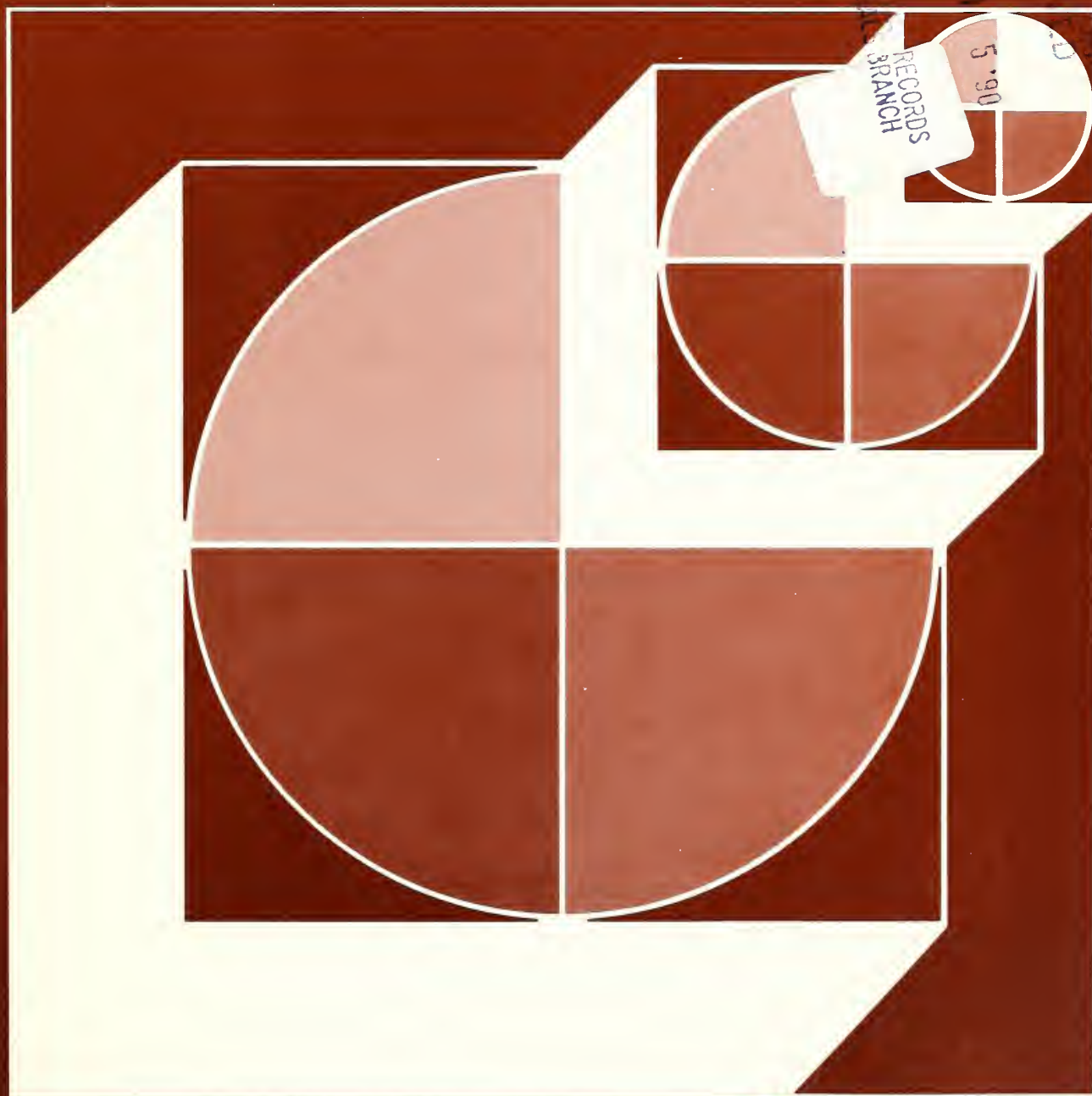
# Family Economics Review

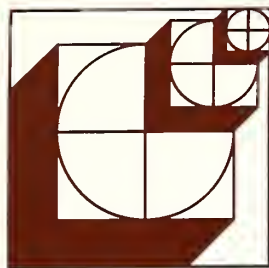
1989

Vol. 2 No. 4

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# Family Economics Review

Vol. 2 No. 4

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# Consumer Decisions, Expenditures, And Knowledge Regarding Funerals

By Mark Lino

*Consumer Economist*

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Although expenditures on a funeral can be one of the largest costs a household will incur in a given year, there has been little research on this transaction. Using data from 1,004 households that had arranged a funeral between December 1986 and June 1987, this study examined consumer decisions, expenditures, and knowledge regarding funerals. For most funerals, no specific preplanning was done, although after a death the decision about which funeral home to use was made by most people before they contacted any. A casket service with ground burial accounted for 81% of the funerals. This type of funeral was the most costly, with an average expenditure of approximately \$3,500; the average expenditure for a cremation was approximately \$1,400. Consumers possessed inaccurate knowledge regarding some funeral laws, such as whether caskets are required when a body is to be cremated. Findings from this study can be used by consumer educators to develop programs that assist people in the funeral decision.

Death and taxes, in addition to being two of life's certainties, share another common trait — they can be very costly. Although the impact of taxes on family financial well-being has been studied extensively, expenses associated with a funeral have received little attention from researchers in family economics. Some studies (1,6,7) have focused on those practices in the funeral industry that lead to higher funeral costs for households. The few studies that provide funeral expenditure data by households (9,10) are limited geographically or contain out-of-date expenditure data.

This study adds to the literature on funeral arrangements and expenditures of households by using current, national data. Findings

focus on: 1) decision-making behavior of consumers in arranging a funeral, 2) type of funeral and expenditures by funeral type, 3) consumers' knowledge of funeral laws, and 4) funeral arrangements by consumers over time.

## Source of Data

Data used for this study were collected for the Federal Trade Commission by a private marketing research firm (4). The sample was drawn to represent the U.S. population and not just those who arrange a funeral in a given year. A mail questionnaire was sent to 1,648 households that, according to the firm's records, were primarily responsible or shared equally in arranging a funeral between December 1986 and June 1987. Of the questionnaires returned, 1,004 were deemed usable and made up the final sample.

Although the sample was designed to represent U.S. households, the sociodemographic characteristics of the final sample differed somewhat from this population, reflecting many of the sampling problems common to a mail questionnaire (2). The major difference was the large percentage of females in the sample. In 1987 females accounted for approximately 52% of the adult population (11), but they made up 91% of the sample. Since 89% of the respondents stated they had at least one other person helping them make the funeral arrangements and 70% were married, it seems that wives were more likely

than their husbands to complete the questionnaire.

Also, there were slightly higher proportions of older and more educated persons in the sample. In addition, more white and higher income households were represented in the sample than are in the actual population. The sample did reflect the U.S. population, however, with regard to region of residence. In summary, differences in sociodemographic characteristics were not great enough to severely bias the sample.

## Decision-making Behavior by Consumers in Arranging a Funeral

After a death has occurred, funeral arrangements usually must be made within a very short time. The person making the arrangements is often at a disadvantage, having little knowledge of the costs involved and functioning under an emotional strain. One way this burden on survivors can be eased is by prearranging a funeral well in advance. Preplanning also can assure that the deceased will receive the type of funeral desired.

Specific previous funeral arrangements were reported by 33% of the sample (table 1). Among these respondents, which cemetery to use was prearranged by 88%; whether to have a burial or cremation, by 80%; and the selection of a funeral home, by 77%. Other specific arrangements made prior to a death were whether to have a public viewing of a body, embalm a body, have a vault or grave liner, and selection of a casket. Specific arrangements, however, were sometimes made very shortly before a death occurred. In these instances, the benefits of preplanning were probably diminished. Of those who could specify the time in advance that arrangements were made with the funeral home, 32% said less than 1 month before a death.

Even when previous arrangements were made, they sometimes were changed. Of those individuals in the sample who stated that specific arrangements were made

prior to a death, 12% indicated that these arrangements were changed after the death occurred. Type of funeral and casket selection were the most often changed arrangements.

No specific preplanning had been done by 67% of the sample, although 21% indicated that discussions had been held, but no specific arrangements made. Of the respondents who made no specific arrangements in advance, 86% stated that after a death they decided on a funeral home before contacting any, 12% contacted just one funeral home, and 2% contacted two or more funeral homes.

Reasons for this lack of search include the time constraints inherent to the decision and the possibility of limited choice in some locales, such as rural areas, where there may only be one funeral home. Cost, however, does not appear to be an important factor in the funeral decision. When asked the most important reason for selecting the funeral home used, 62% of the sample stated it was their

personal experience with the funeral home, or knowing the funeral director or the funeral home's reputation. Only 3% stated that the most important reason was the cost of the funeral arrangements.

### Type of Funeral Arranged and Expenditure by Funeral Type

Funeral expenditures can be substantial depending on the type arranged. The funeral survey asked respondents what type of funeral they had arranged and the total cost of the funeral arrangement. Respondents were to include all goods and services provided by the funeral home in the cost. These costs for a particular type of funeral may have varied from one respondent to another depending on the items selected and the price paid for the items.

A traditional service with ground burial was the most frequent type of funeral arranged by households in

the sample, reported by 81% (table 2, p. 4). This type of funeral was also the most costly, with an average expenditure of \$3,507.<sup>1</sup> A service with above-ground entombment accounted for 4% of the funerals arranged and was most prevalent in the West and South. The average expenditure on a service with above-ground entombment (\$3,035) was 13% less than that of a ground burial.

Funeral expenditures reported in the survey were limited to charges billed through a funeral home. Most cemetery costs (cemetery plot, grave marker or headstone, etc.) are not included in the reported expenses. These expenses can be a substantial proportion of the total costs associated with a funeral involving a burial. Although these costs vary nationwide, a 1985 study found the lowest cemetery costs at 11 cemeteries in a metropolitan area of California averaged between \$1,000 and \$1,600 (10). Hence, the expenditures reported here likely underestimate the total costs associated with a funeral service with a burial or entombment.

Cremations, which over the past decade have comprised an increasing share of all funerals (11), accounted for 14% of the funerals arranged by households in the sample. About half of the cremations were arranged with a memorial service afterward. This type of arrangement was one of the less expensive options (\$991) because the purchase of a casket or use of a funeral home for the viewing of a body is not required. Average expenditure for a service with cremation afterward was higher (\$2,449) because it involves the use of funeral home facilities and the purchase or rental of a casket.

**Table 1. Decision-making behavior by consumers in arranging a funeral**

| Degree of preplanning                                |                                 |                                          |
|------------------------------------------------------|---------------------------------|------------------------------------------|
| Specific arrangements made                           | Discussion only                 | No arrangements made; no discussion held |
| 33%                                                  | 21%                             | 46%                                      |
| Percent                                              |                                 | Percent                                  |
| What cemetery to use . . . . .                       | Choice of funeral home made:    |                                          |
| Have burial or cremation . . . . .                   | Before contacting any . . . . . | 86                                       |
| Selection of funeral home . . . . .                  | After contacting one . . . . .  | 12                                       |
| Have viewing or not . . . . .                        | After contacting two            |                                          |
| Have body embalmed or not . . . . .                  | or more . . . . .               | 2                                        |
| Have vault or grave liner . . . . .                  |                                 |                                          |
| Selection of casket . . . . .                        |                                 |                                          |
| Deviated from preplanned arrangement . . . . .       |                                 |                                          |
|                                                      |                                 |                                          |
|                                                      |                                 | Percent                                  |
| Most important reasons for selecting funeral home:   |                                 |                                          |
| Personal experience with funeral home . . . . .      |                                 | 32                                       |
| Know funeral director or home's reputation . . . . . |                                 | 30                                       |
| Location of funeral home . . . . .                   |                                 | 19                                       |
| Recommendation of friends/relatives . . . . .        |                                 | 4                                        |
| Cost of funeral arrangements . . . . .               |                                 | 3                                        |
| Other reasons . . . . .                              |                                 | 12                                       |

<sup>1</sup> When asked to report the total cost of the funeral arranged, respondents could choose an expenditure range option (e.g., \$2,500-\$3,000) if they could not provide a specific dollar amount. For those who responded to this expenditure range option (approximately 21% of the sample), the midpoint of the range (\$2,750) was used to determine average expenditures. Also, three observations reporting zero expenditures were omitted because the question was believed to have been misinterpreted.



Cremation with no attendant rites or ceremonies was the lowest average funeral expenditure reported (\$811). Only 3% of the sample arranged this type of funeral, however.

As with burials, the cremation expenditures reported here do not include cemetery costs. Although such costs are less prevalent with cremations, if the cremated remains are buried or entombed above ground, the expenditures presented here are underestimates of the total costs associated with a death involving a cremation. Other types of arrangements (direct burial, donating a body to medical school, etc.) were reported by only 1% of the sample; the average expenditure for this other category varies greatly depending on the specific type of funeral arranged.

**Table 2. Type of funeral arranged and expenditure by type**

| Funeral type                                      | Percent reporting | Average expenditure |
|---------------------------------------------------|-------------------|---------------------|
| Burial/entombment . . . . .                       | 85                | \$3,487             |
| Service with ground burial . . . . .              | 81                | 3,507               |
| Service with above-ground entombment . . . . .    | 4                 | 3,035               |
| Cremation . . . . .                               | 14                | 1,386               |
| Cremation and memorial service . . . . .          | 7                 | 991                 |
| Service with cremation <sup>1</sup> . . . . .     | 4                 | 2,449               |
| Cremation only (no rites or ceremonies) . . . . . | 3                 | 811                 |
| Other <sup>2</sup> . . . . .                      | 1                 | 2,057               |

<sup>1</sup> Includes the use of a casket.

<sup>2</sup> Includes direct burial, donating body to medical school, etc.

## The Funeral Rule

In 1984 the Funeral Rule, a trade regulation rule developed by the Federal Trade Commission concerning funeral industry practices, became effective. The rule enabled consumers to obtain information about funeral arrangements prior to selecting particular goods and services. Its provisions cover telephone price disclosures, general price lists, and required purchases (3).

The rule requires funeral providers to inform consumers who telephone to ask about terms, conditions, or prices of funeral goods and services that price information is available over the telephone. The funeral provider must also give prices, any other information from price lists, and any other information about prices or offerings that is readily available and reasonably answers questions.

The intent of this provision is to provide people with this information over the telephone so that comparison shopping would be easier for them in light of the time constraints of arranging a funeral.

When a consumer inquires in person about funeral arrangements, the funeral provider must give the consumer a general price list, which can be kept. This list must contain the cost of each individual funeral item and service offered. It must also disclose important legal rights and requirements regarding funeral arrangements, including information on embalming, cash advance sales (such as newspaper notices or flowers), caskets for cremation, and required purchases. For the purchase of a casket, the funeral provider must supply a list that describes all the available selections and their prices.

A consumer does not have to purchase unwanted goods or services as

a condition of obtaining those desired unless required to do so by State law. The consumer has the right to choose only the funeral goods and services wanted, with some disclosed exceptions. The funeral provider must inform the consumer of this right in writing on the general price list. If a particular item is said to be required by law, the funeral provider must explain the specific law that requires this purchase on the statement of goods and services selected. A written, itemized final statement must be given by funeral providers at the end of a conference. This statement must include the prices of the items selected.

At present, the Funeral Rule is under review. After this review, the rule may be kept as is, amended, or terminated.



## Consumers' Knowledge of Funeral Laws

Awareness by consumers of the rules and regulations concerning funerals may have a substantial impact on their funeral expenditures. If a person believes certain goods or services are required by law for a funeral, when in fact they are not, he or she may spend more money than necessary. The survey asked respondents to indicate how truthful were five statements regarding funeral laws (table 3). Although these laws are usually determined at the State or municipal level and can vary between localities, the statements encompassed specific laws so as to apply nationally.

- *Caskets are required by law when the body is to be buried.* This statement is true, and 85% of the respondents thought it was definitely or probably true.
- *Caskets are required by law when a body is to be cremated.* This statement is false, but 36% of respondents thought it was definitely or probably true or did not know. Typically all that is required is for the body to be in a canvas bag or cardboard box. A small percentage of the sample who arranged a funeral involving a cremation (7%) did state that the funeral director said a casket was required.
- *Embalming is required by law when the body is to be transported from one State to another.* This statement is true, and 75% of respondents thought it was definitely or probably true.
- *Embalming is always required as a public health measure.* This statement is false. However, 50% of respondents thought it was definitely or probably true. Depending on the locality, embalming is usually required only if the body is held over a certain period of time or death was by a particular disease. Related to this, 81% of the sample indicated the body was embalmed for the funeral they arranged, with 26% of these people reporting they

were not asked for prior authorization by the funeral home.

- *A sealed casket (and/or grave vault) preserves the body for an indefinite time.* This statement is false, but 42% of respondents thought this statement was definitely or probably true and 17% did not know. A sealed casket or grave vault should aid preservation, but not for an indefinite time.

These findings indicate that many of the respondents did not possess accurate knowledge of funeral laws. These people would be expected to be more cognizant of such rules and regulations than the general population because they were questioned soon after arranging a funeral.

## A Comparison of Funeral Arrangements by Consumers Over Time

To examine how the funeral arrangements of consumers have changed over time, the results of this study were compared to published results from an earlier survey of the funeral arrangements of consumers (5). This earlier survey, which was also administered by the Federal Trade Commission, collected information from 1,200 people who

arranged a funeral between November 1980 and May 1981. Many of the same questions asked of respondents on the recent funeral survey were asked on the earlier survey so the results are comparable.

A larger percentage of those persons who arranged a funeral in 1980/81 (68%) compared with 1986/87 (54%) did so for one where specific arrangements were previously made or discussions were held regarding the arrangements (table 4, p. 6). Although preplanning was more frequent in the past, the reasons for selecting a particular funeral home have not changed substantially over time. Previous experience with a funeral home and knowing the funeral director or home's reputation were the two single most important reasons people gave for selecting a funeral home in both surveys (knowing the funeral director was the single most important reason in 1980/81, whereas previous experience with the funeral home was most important in 1986/87). Only 3% of respondents in the 1980/81 survey, the same percentage as in the 1986/87 survey, stated that the cost of the funeral arrangements was the most important reason for their selection of a funeral home.

**Table 3. Consumers' knowledge of funeral laws**

| Statement                                                                                               | Definitely or probably   |          | Don't know |
|---------------------------------------------------------------------------------------------------------|--------------------------|----------|------------|
|                                                                                                         | True                     | Not true |            |
|                                                                                                         | <u>Percent reporting</u> |          |            |
| Caskets are required by law when the body is to be buried (T) <sup>1</sup> . . . . .                    | 85                       | 7        | 8          |
| Caskets are required by law when the body is to be cremated (F) . . . . .                               | 13                       | 64       | 23         |
| Embalming is required by law when the body is to be transported from one State to another (T) . . . . . | 75                       | 5        | 20         |
| Embalming is always required as a public health measure (F) . . . . .                                   | 50                       | 30       | 20         |
| A sealed casket (and/or grave vault) preserves the body for an indefinite time (F) . . . . .            | 41                       | 42       | 17         |

<sup>1</sup> Letter indicates whether statement is in fact true or false.

**Table 4. Trends in funeral arrangements by consumers**

| Funeral arrangements                              | 1980/81           | 1986/87 |
|---------------------------------------------------|-------------------|---------|
|                                                   | Percent reporting |         |
| Degree of preplanning:                            |                   |         |
| Specific arrangements made .....                  | 38                | 33      |
| Only discussions held .....                       | 30                | 21      |
| Neither .....                                     | 32                | 46      |
| Most important reason for selecting funeral home: |                   |         |
| Previous experience with funeral home .....       | 30                | 32      |
| Know funeral director or home's reputation .....  | 38                | 30      |
| Location of funeral home .....                    | 18                | 9       |
| Recommendation of friends/relatives .....         | 3                 | 4       |
| Cost of funeral arrangements .....                | 3                 | 3       |
| Other reasons .....                               | 8                 | 12      |
| Type of funeral arranged and expenditure by type: |                   |         |
| Burial/entombment .....                           | 88                | 85      |
| Average expenditure <sup>1</sup> .....            | \$2,547           | \$3,487 |
| Cremation .....                                   | 12                | 14      |
| Average expenditure .....                         | \$ 682            | \$1,386 |

<sup>1</sup> Expenditures for above-ground burials were not included.


A higher percentage of people arranged a funeral involving a cremation in 1986/87 (14%) than in 1980/81 (12%). This is consistent with the general trend towards cremation in the United States in recent years. The average expenditure on a burial increased 37% from 1980/81 to 1986/87 (\$2,547 to \$3,487), and the average expenditure on a cremation increased 103% (\$682 to \$1,386) over the same period. This increase in expenditures most likely was caused by a general rise in funeral costs and the purchase of more goods and services in the funeral arrangement. In both time periods, the average expenditure for a funeral involving a cremation was considerably less than that involving a burial.

## Conclusion

Costs associated with funeral arrangements can add up to a major expense—several thousand dollars—for the household involved in arranging one. Because preplanning for funerals is not widespread—and has declined over time—these arrangements often must be completed without delay during a period of emotional shock and upheaval.

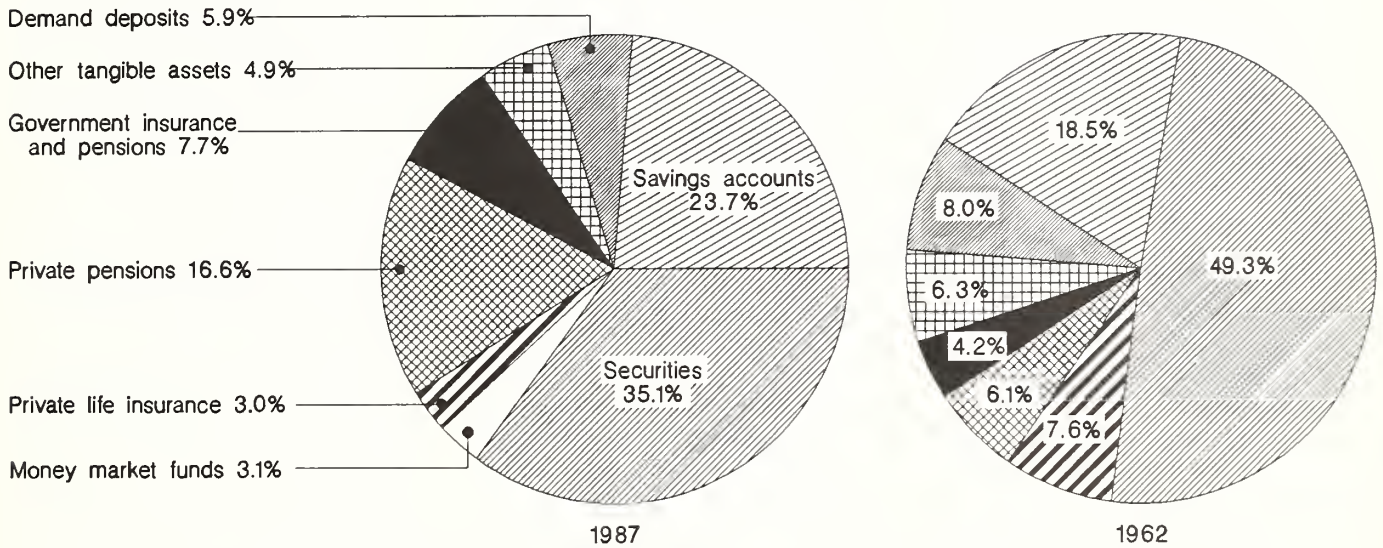
Consumer educators can offer effective programs that stress the desirability of preplanning in making funeral arrangements and disseminate information about memorial societies (nonprofit membership groups) that assist members in planning reasonably priced funerals (8). Such programs could strengthen consumer awareness of the choices to be considered by providing information about the various types of funerals, average expenditures, optional services, and the consumer's legal rights and responsibilities.

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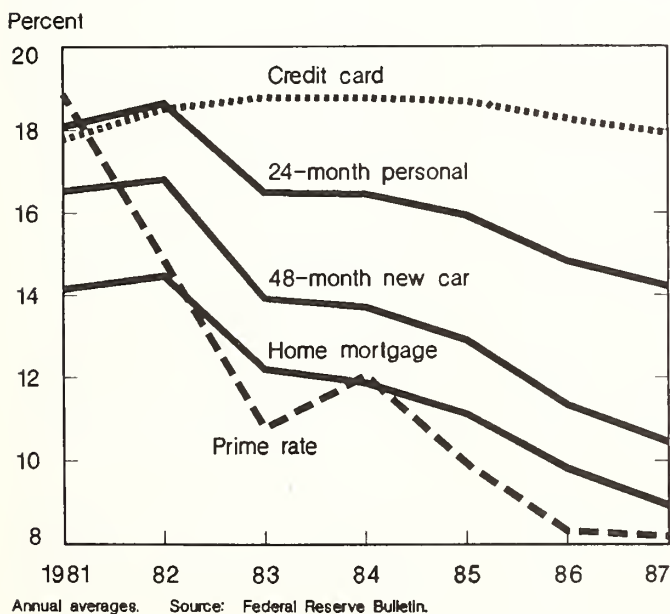
# New USDA Charts

## Distribution of financial assets

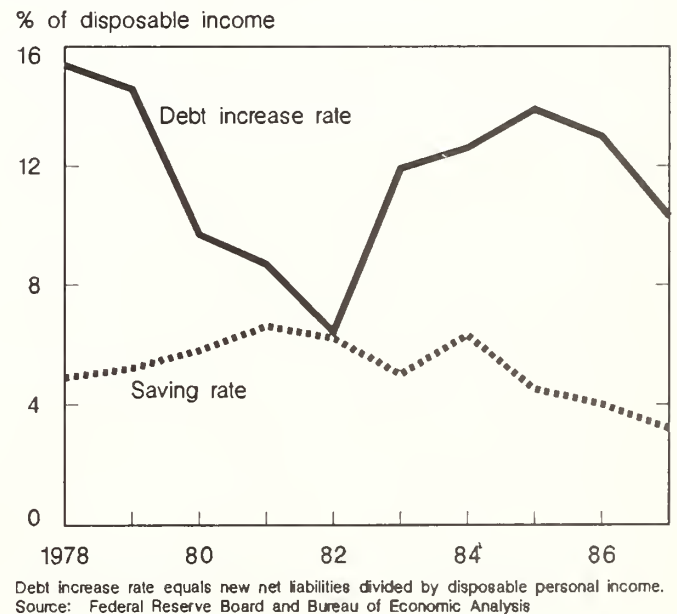


Other tangible assets include residential and nonresidential fixed assets, consumer durables, and inventories. 1962 money market funds were less than 1 percent.  
Source: Federal Reserve Board.

## Consumer loan rates



## Household debt and saving





# Household Expenditures for Services

Data from the Bureau of Labor Statistics' Consumer Expenditure Surveys show that between 1972-73 and 1984-85 expenditures for services rose from 43% to 47% of total household expenditures (1). Service expenditures increased by 233% while total expenditures increased by 202%. Because of the growing demand for services in the United States, there is a need to understand the demographic characteristics of households that are most likely to purchase them.

Prices for services rose more than prices for all items between 1973 and 1988. The all-services Consumer Price Index (CPI)<sup>1</sup> increased 209% compared to the all-items increase of 162%. Items designated as services in the CPI include rent, utilities, auto maintenance and repair, public transportation, and many other services. Services and

their relative importance in the 1982-84 base period used for the 1987 revision of the CPI are shown in the table below.

Previous articles in *Family Economics Review* have provided data on expenditures for services. Articles on housing (2), transportation (5), education and reading (3), and utilities (4) have included information on the service components of those expenditures. The following articles focus on the service aspects related to apparel, housekeeping, and entertainment. These services were selected because they tend to be pure services rather than a mixture of goods and services,<sup>2</sup> and because they could be produced in the home. Although services such as utilities or public transportation cannot be produced in the home,

<sup>2</sup> Services such as car repairs may include parts as well as labor costs. Goods such as convenience foods may include embedded services.

<sup>1</sup> The CPI-W was used so that comparisons could be made with earlier data.

## Relative importance of services, by item, Consumer Price Index for All Urban Consumers, 1982-84

| Item                                        | Weighting |
|---------------------------------------------|-----------|
| Renter cost .....                           | 7.485     |
| Homeowner cost .....                        | 18.569    |
| Maintenance and repairs .....               | .230      |
| Gas and electricity .....                   | 4.617     |
| Other utilities and public service .....    | 3.331     |
| Housekeeping services .....                 | 1.608     |
| Apparel services .....                      | .544      |
| Auto maintenance and repair .....           | 1.538     |
| Other private transportation services ..... | 3.304     |
| Public transportation .....                 | 1.393     |
| Medical care services .....                 | 3.850     |
| Entertainment services .....                | 2.180     |
| Personal care services .....                | .564      |
| Personal and educational services .....     | 2.590     |

Source: U.S. Department of Labor, Bureau of Labor Statistics. Consumer Price Index: 1987 Revision. Report 736.

families do have the option of providing or purchasing laundry, domestic services, babysitting, and entertainment. These articles present a profile of households that have substituted marketplace economic activity for household production.

## Data and Sample

Data are from the 1985 Consumer Expenditure Survey (CEX)(6), an ongoing survey conducted by the Bureau of Labor Statistics (BLS), U.S. Department of Labor. Consumer units are interviewed once each quarter for five consecutive quarters. Findings reported in the following articles are based on 21,000 quarterly responses from over 5,000 consumer units that participated in the interview component of the 1985 Survey. The sample was weighted to represent the total U.S. population. Characteristics of households purchasing services are identified and average expenditures for purchasing households are provided. Percentages of households reporting an expenditure are for a quarter; quarterly expenditures were multiplied by four to provide annual estimates.

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## Definitions

**Total expenditures** includes food and drink, housing, apparel and services, transportation, health care, entertainment, personal care, reading, tobacco, cash contributions, life and other personal insurance, and miscellaneous expenses. Retirement, pensions, and social security payments are not included.

**Income** includes the combined money income before taxes earned by all consumer unit members 14 years old or over during the 12 months preceding the interview. Sources of income include wages and salaries; self-employment income; social security, private and government retirement; interest, dividends, rental income, and other property income; unemployment and workers' compensation,

veterans' benefits; public assistance, supplemental security income, food stamps; regular contributions for support (including alimony and child support); other income; Federal, State, and local taxes and other taxes.

**Consumer unit** comprises either: (1) all members of a particular household who are related by blood, marriage, adoption, or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who pool their income to make joint expenditure decisions. To be considered financially independent, at least two of the three major expense categories

(housing, food, and other living expenses) have to be provided by the respondent. The terms 'household', 'family', and 'consumer unit' are used interchangeably throughout the text of the following three articles.

**Householder or reference person** is the first member mentioned by the respondent when asked to "Start with the name of the person or one of the persons who owns or rents the home."

**Services** are intangible goods. For the articles that follow, apparel, housekeeping, and entertainment services were limited to those components specified by the Bureau of Labor Statistics as services in the Consumer Price Index, which did not necessarily match the CEX definitions.

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# Households with Expenditures for Apparel Services

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Purchase of apparel services is widespread among U.S. households. In 1985, 57% of U.S. households reported expenditures for one or more of these services. Among households with expenditures, the average amount spent was \$187. Households with incomes of \$40,000 or more or with a reference person who had more than 4 years of college were most likely to purchase an apparel service, 76% and 77%, respectively. Highest expenditures (among purchasing households) were reported by these same households. Younger households tended to purchase apparel services more often than older (55 years and over) households. Renters were six times as likely as homeowners to use coin-operated laundry and dry cleaning services.

Factors that may affect the purchase of apparel services include the accessibility of laundry equipment and family resources—specifically those of knowledge, skill, time, and financial assets. Some families may invest in laundry equipment and devote the time necessary to maintain a substantial portion of their wardrobes, yet still depend on professional care for shoes and some clothing items. Other families (such as renters) may not have access to laundry equipment in their homes and must rely more heavily on commercial sources for apparel services. This is borne out by Bellante and Foster (1) who found that home ownership had a significant negative effect on expenditures for clothing care.

Families that have a full-time homemaker are in the minority.<sup>1</sup> Time spent in all areas of housework is less when the homemaker is

employed (4). Services that can be readily purchased, such as laundry and dry cleaning, alleviate some of the time pressures experienced by these working women. According to Schram and Hafstrom (4), as financial resources are perceived as more adequate, working wives substitute more household and food services for their time.

Thirty years ago, Robert Ferber (2) predicted expenditures for apparel services would rise as the proportion of women gainfully employed increased. Not only would the woman's income add to the level of household income (making such services more affordable), but women would have less time for performing these services. Subsequent expenditure studies (1,3,12,13), however, have found family income to be the strongest predictor of clothing care services; wife's employment was a secondary factor.

Nevertheless, according to data from the Bureau of Labor Statistics (BLS) for the four most recent Consumer Expenditure Surveys (7-10), the proportion of households reporting expenditures for apparel services

has decreased slightly since 1982-83 (as shown in the table below).

This article examines variations in expenditures and proportions of households reporting any expense for apparel services by selected household characteristics.

## Variables

Apparel services as defined by BLS for the Consumer Price Index include coin-operated laundry and dry cleaning (coin-op services), other laundry and dry cleaning (full-service facilities), clothing storage, shoe repair, clothing repair, watch and jewelry repair, and clothing rental. Because less than 0.5% of the Survey households had an expenditure for clothing storage, this expenditure was included in total apparel services but was not analyzed separately. Also, preliminary analysis determined that expenditures for repairs to shoes, clothing, and watches and jewelry followed similar patterns among households. Because each of these repair services was reported by 6.5% or fewer households, the three categories were combined (repair services) for further analysis. Clothing rental expenses reported by 1.5% of households are summarized in the box, p. 14.

## Findings

Expenditures for one or more apparel services were reported by 57% of the sample (table 1). The average expenditure in 1985 for all apparel services by purchasing households was \$187. Slightly over half (52%) of

| Apparel service                | 1986 | 1985                     | 1984 | 1982/83 |
|--------------------------------|------|--------------------------|------|---------|
|                                |      | <u>Percent reporting</u> |      |         |
| Laundry and dry cleaning:      |      |                          |      |         |
| Full service .....             | 33.8 | 35.0                     | 34.6 | 36.1    |
| Coin-operated .....            | 23.8 | 24.4                     | 25.2 | 27.2    |
| Shoe repair .....              | 5.8  | 6.0                      | 6.6  | 7.0     |
| Apparel repair .....           | 5.7  | 5.9                      | 6.1  | 6.2     |
| Watch and jewelry repair ..... | 4.1  | 4.2                      | 4.5  | 4.7     |

<sup>1</sup> By 1986, 71% of women age 25 to 54 years were in the labor force including 68% of married women, 82% of never married women, and 85% of divorced women (5).

**Table 1. Expenditures for selected apparel services: Percent of households with the expenditure and mean expenditure for those households, 1985**

| Household characteristic                              | Total expenditures <sup>1</sup> | Laundry and dry cleaning |             |                    |             |                    |             |                                |             |                    |             |
|-------------------------------------------------------|---------------------------------|--------------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------------------|-------------|--------------------|-------------|
|                                                       |                                 | Apparel services         |             | Coin-op            |             | Full service       |             | Either coin-op or full service |             | Repairs            |             |
|                                                       |                                 | Percent purchasing       | Mean dollar | Percent purchasing | Mean dollar | Percent purchasing | Mean dollar | Percent purchasing             | Mean dollar | Percent purchasing | Mean dollar |
| All households .....                                  | \$20,179                        | 56.8                     | \$187       | 24.2               | \$124       | 35.0               | \$165       | 51.5                           | \$170       | 15.4               | \$92        |
| Income brackets:                                      |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| Under \$10,000 .....                                  | 11,098                          | 49.3                     | 128         | 34.1               | 101         | 17.4               | 110         | 45.3                           | 118         | 9.1                | 84          |
| \$10,000 - \$19,999 .....                             | 15,364                          | 51.3                     | 161         | 29.1               | 137         | 25.1               | 123         | 45.9                           | 154         | 11.8               | 83          |
| \$20,000 - \$29,999 .....                             | 20,300                          | 56.0                     | 184         | 24.6               | 152         | 35.0               | 138         | 49.8                           | 172         | 16.3               | 75          |
| \$30,000 - \$39,999 .....                             | 24,704                          | 59.6                     | 190         | 15.7               | 144         | 45.7               | 156         | 53.1                           | 177         | 20.4               | 72          |
| \$40,000 and over .....                               | 36,538                          | 75.6                     | 259         | 11.6               | 125         | 65.8               | 212         | 69.6                           | 221         | 27.4               | 115         |
| Age of reference person (years):                      |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| Under 25 .....                                        | 12,278                          | 67.5                     | 141         | 56.9               | 106         | 19.8               | 123         | 65.3                           | 130         | 9.6                | 68          |
| 25 - 34 .....                                         | 19,935                          | 61.5                     | 206         | 32.5               | 150         | 35.8               | 176         | 57.0                           | 196         | 15.0               | 76          |
| 35 - 44 .....                                         | 25,239                          | 60.3                     | 212         | 18.1               | 131         | 43.8               | 187         | 54.2                           | 195         | 19.5               | 92          |
| 45 - 54 .....                                         | 25,962                          | 61.6                     | 213         | 17.5               | 140         | 46.1               | 175         | 56.3                           | 187         | 17.0               | 101         |
| 55 - 64 .....                                         | 20,824                          | 51.9                     | 185         | 15.4               | 116         | 35.2               | 159         | 45.7                           | 162         | 15.7               | 108         |
| 65 - 74 .....                                         | 16,244                          | 45.2                     | 139         | 15.5               | 90          | 27.4               | 120         | 38.7                           | 121         | 13.8               | 103         |
| Over 75 .....                                         | 11,653                          | 41.2                     | 113         | 21.5               | 70          | 19.0               | 105         | 35.7                           | 98          | 11.7               | 91          |
| Race:                                                 |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| White .....                                           | 20,965                          | 55.7                     | 184         | 22.1               | 120         | 34.7               | 162         | 50.0                           | 166         | 16.1               | 94          |
| Black and other .....                                 | 15,046                          | 63.8                     | 201         | 38.2               | 138         | 37.0               | 181         | 61.2                           | 196         | 10.7               | 70          |
| Education:                                            |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| No high school diploma .....                          | 13,437                          | 41.7                     | 145         | 24.4               | 130         | 17.2               | 117         | 37.0                           | 140         | 8.6                | 77          |
| High school diploma .....                             | 19,387                          | 51.0                     | 166         | 20.9               | 137         | 28.9               | 136         | 44.5                           | 152         | 14.0               | 80          |
| 1 - 4 years college .....                             | 22,903                          | 67.6                     | 198         | 27.2               | 110         | 46.2               | 175         | 62.5                           | 177         | 18.7               | 94          |
| More than 4 years college .....                       | 31,341                          | 77.3                     | 255         | 23.4               | 125         | 62.1               | 214         | 73.0                           | 222         | 26.8               | 117         |
| Housing tenure:                                       |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| Homeowners .....                                      | 23,667                          | 51.0                     | 189         | 8.2                | 110         | 39.0               | 167         | 44.1                           | 168         | 17.8               | 95          |
| Renters .....                                         | 14,502                          | 66.2                     | 184         | 50.3               | 127         | 28.3               | 162         | 63.4                           | 173         | 11.6               | 85          |
| Family composition:                                   |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| Husband and wife only .....                           | 22,220                          | 54.1                     | 189         | 15.0               | 137         | 38.1               | 157         | 47.7                           | 168         | 17.3               | 102         |
| Husband and wife with own children <sup>2</sup> ..... | 27,478                          | 55.8                     | 202         | 11.8               | 165         | 41.4               | 168         | 49.2                           | 181         | 18.2               | 87          |
| Single parent with children .....                     | 15,603                          | 57.2                     | 197         | 33.8               | 168         | 27.1               | 150         | 52.0                           | 187         | 12.4               | 104         |
| Single persons .....                                  | 12,183                          | 59.9                     | 161         | 41.7               | 90          | 27.6               | 170         | 56.3                           | 150         | 12.4               | 86          |
| Other families .....                                  | 17,521                          | 57.6                     | 206         | 31.6               | 156         | 32.2               | 172         | 54.1                           | 193         | 12.3               | 85          |
| Earners composition:                                  |                                 |                          |             |                    |             |                    |             |                                |             |                    |             |
| Husband or single male reference person .....         | 21,340                          | 60.4                     | 209         | 28.6               | 120         | 38.0               | 194         | 56.2                           | 192         | 14.4               | 99          |
| Wife or single female reference person .....          | 15,227                          | 61.2                     | 170         | 34.9               | 126         | 32.3               | 138         | 56.4                           | 157         | 15.0               | 86          |
| Husband and wife .....                                | 27,804                          | 60.4                     | 212         | 14.1               | 162         | 45.2               | 173         | 53.9                           | 188         | 20.1               | 93          |
| Neither husband or wife .....                         | 12,307                          | 43.4                     | 120         | 23.9               | 94          | 19.2               | 104         | 38.0                           | 111         | 10.6               | 84          |

<sup>1</sup> Total expenditures are for all households surveyed.

<sup>2</sup> "Own" children includes stepchildren and adopted children of the householder.



the respondents had expenses for laundry and dry cleaning, either coin-operated or full-service. Among households having any expenditure, average outlay for these combined cleaning services was \$170. Far fewer households (15%) reported expenditures for repair services; among these households, expenditures for repairs averaged \$92 in 1985.

## Demographic Characteristics

**Income.** Among purchasing households, mean expenditures for apparel services increased as income increased. Although a similar rise in expenditures was observed for total laundry and dry cleaning and the full-service component, there was no corresponding increase in spending for repair services and coin-op services.

The proportion of households purchasing total apparel services and most components of apparel services rose as income level rose. Over three-quarters of households with income of \$40,000 and over had expenditures for apparel services. In contrast, coin-op service expenditures were reported by more households in the lower income brackets, and percentages reporting decreased as income increased.

**Age.** The average amounts spent for apparel services by households that had an expenditure increased gradually with age, then declined after age 55, similar to the pattern for total expenditures. Mean expenditures for laundry and dry cleaning also were highest during the middle years (25-54). Expenditures for repair services, however, were highest in households with a reference person between 45 and 74 years of age.

Younger households were more likely to report an expenditure for apparel services. They were much more likely than older households to use coin-op services.

*Households with a reference person under 25 or over 65 years of age were more likely than other households to have incomes of \$20,000 or less. Those whose reference person was between the ages of 35 and 54 were more likely to have incomes exceeding \$40,000 (table 2).*

**Race.** Although white households had higher total expenditures than black and other households, expenditures for apparel services were higher in black and other households. Furthermore, spending for laundry and dry cleaning (both coin-op and full-service) was higher in black and other households. Spending for repair services, however, was higher in white households.

Except for repair services, the percentage of households reporting an expenditure for apparel services was lower among whites. In particular, considerably fewer whites (22%) than blacks (38%) reported coin-op service expenditures.

**Education.** Expenditures for apparel services increased as the educational level of the householder increased. Households with reference persons who had not attended college, however, had slightly higher expenditures for coin-op services.

Over three-quarters of households with reference persons who had more than 4 years of college reported expenditures for apparel services, compared with about half of households headed by high school graduates. Similarly, more highly educated households were more likely to report expenditures for full-service laundry and dry cleaning, and repair services.

*The percentage of households with income under \$20,000 decreased as education increased (table 2).*

**Table 2. Income by age and education of the householder, and family type, 1985**

| Characteristic                     | Income             |                    |
|------------------------------------|--------------------|--------------------|
|                                    | Less than \$20,000 | More than \$40,000 |
|                                    | Percent            |                    |
| Age:                               |                    |                    |
| Less than 25 .....                 | 71.8               | 2.6                |
| 25-34 .....                        | 39.2               | 15.6               |
| 35-44 .....                        | 27.7               | 26.6               |
| 45-54 .....                        | 28.4               | 29.4               |
| 55-64 .....                        | 44.7               | 19.1               |
| 65-74 .....                        | 62.4               | 6.1                |
| 75 and over .....                  | 77.1               | 3.0                |
| Education:                         |                    |                    |
| No high school diploma .....       | 74.3               | 6.2                |
| High school diploma .....          | 49.6               | 15.1               |
| 1-4 years college .....            | 40.6               | 25.0               |
| More than 4 years of college ..... | 23.9               | 45.7               |
| Family type:                       |                    |                    |
| Husband-wife .....                 | 39.2               | 21.4               |
| Husband-wife-own child .....       | 24.8               | 29.8               |
| Single parent .....                | 63.5               | 4.1                |
| Single consumer .....              | 65.6               | 3.8                |
| Other families .....               | 53.1               | 9.7                |



The number of retail establishments providing laundry, dry cleaning, and other garment services increased from approximately 40,000 in 1980 to almost 45,000 in 1985 (6). Personal consumption expenditures for cleaning, storage, and repair of clothing and shoes increased by \$600 million in constant 1982 dollars between 1987 and 1988.

| Year | Current dollars | Constant 1982 dollars (in billions) |
|------|-----------------|-------------------------------------|
| 1982 | 7.1             | 7.1                                 |
| 1983 | 7.6             | 7.2                                 |
| 1984 | 8.5             | 7.7                                 |
| 1985 | 8.8             | 7.6                                 |
| 1986 | 9.2             | 7.6                                 |
| 1987 | 9.8             | 7.7                                 |
| 1988 | 11.0            | 8.3                                 |

**Table 3. Housing tenure by age and race of the householder, and family type, 1985**

| Characteristic              | Percent homeowners |
|-----------------------------|--------------------|
| Age:                        |                    |
| Less than 25 .....          | 11.3               |
| 25-34 .....                 | 44.1               |
| 35-44 .....                 | 68.5               |
| 45-54 .....                 | 78.0               |
| 55-64 .....                 | 78.6               |
| 65-74 .....                 | 78.8               |
| 75 and over .....           | 67.3               |
| Race:                       |                    |
| White .....                 | 64.6               |
| Black and other .....       | 44.8               |
| Family type:                |                    |
| Husband-wife .....          | 80.5               |
| Husband-wife-own child .... | 78.3               |
| Single parent .....         | 37.8               |
| Single consumer .....       | 35.2               |
| Other families .....        | 53.2               |

**Housing tenure.** Expenditures for apparel services were only slightly higher in households that owned their home compared with households that were renting. Expenditures by renters for coin-op services exceeded that by homeowners. One-half of all renter households reported an expenditure for coin-op services.<sup>2</sup> Homeowners (more likely to own their own laundry equipment) reported this expenditure much less frequently.

*Younger households were more likely than older households to be renters. Black and other households were more likely than white households to be renters (table 3).*

**Family Composition.** Among purchasing households, single-person households had the lowest expenditures for apparel services. On a per capita basis, however, these households had the highest expenditures. Single-person households were the most likely of all households to report any expense for coin-op services (41.7%). Husband and wife families (with and without children) were least likely to use coin-op services, but most likely to use full-service facilities.

*Households headed by a husband and wife (with or without children) were more likely than other households to have incomes exceeding \$40,000 and to own their home. Single-parent or single-person households were more likely than other family types to be renters.*

**Earners composition.** Among purchasing households, those in which both husband and wife were in the labor force had the highest total expenditures and highest expenditures for apparel services. Highest expenditures for full-service laundry and dry cleaning occurred in households in which only the husband or single male reference person was employed. Spending for coin-op

services was highest in households where both husband and wife were earners.

Among households with the reference person and/or spouse earning income, little variation in the percent purchasing apparel services was observed. Households with no spouse earning income, however, were less likely to report expenditures for apparel services. Fewer dual earner households, 14%, reported any expenditure for coin-op services, compared with 35% and 29% of households with only the wife (or single female reference person) or husband (or single male reference person) employed. Households with both husband and wife employed were more likely than other households to report expenses for full-service laundry and dry cleaning.

*Almost two-thirds of husband and wife households with children reported both parents were in the labor force.*

## Conclusions

Apparel services were purchased during the year by over half of U.S. households. Expenditures, however, were low, averaging \$187 in 1985 among households incurring this expense. In general, the kinds of households with higher levels of total expenditures also reported higher expenditures for apparel services. However, compared with total expenditures, spending for apparel services was higher than might be expected in renting households, in households headed by a single parent or single person, and in black households. Previous studies corroborate these findings. Bellante and Foster (1) suggest that renters are less likely than homeowners to own clothes washers and dryers, so are more likely to purchase apparel services. These same researchers found black households spent more than white households on clothing care.

<sup>2</sup> Many multi-unit rental buildings provide coin-operated facilities on the premises.

Demographic characteristics that appear to affect the purchase of apparel services were income, age and education of the reference person, and housing tenure. Wife's employment did not affect the percentage of households reporting an expenditure for apparel services. This finding supports those reported by others (1,3,12,13) that subordinate the impact of wife's employment.

Characteristics of households most likely to report expenditures for apparel services were:

Income of \$40,000 or more

Renters

Black

and a reference person

Age 25 years or less

With more than 4 years of college

Use of coin-operated laundry and dry cleaning services was highest among households:

Income under \$10,000

Renters

Single persons

Black

Female earners

and a reference person

Age 25 years or less

In contrast, characteristics of households favoring full-service laundry and dry cleaning services were:

Income of \$40,000 or more

Both husband and wife in the labor force

and a reference person

Between 35 and 54 years of age

With more than 4 years of college

Households more likely to report expenditures for repairs had:

Income of \$40,000 or more

and a reference person

With more than 4 years of college


## Clothing Rental Expenses

Average expenditure for clothing rentals in 1985 for households reporting any rental expenditure was \$261. Very few households, 1.5%, reported this expense, however. Households most likely to rent clothing had incomes of \$40,000 or more; a reference person between 45 and 54; were husband and wife families with children; and had both husband and wife in the labor force.

Occasions that usually require rental clothing include weddings

and other formal events such as high school proms. These occasions most frequently arise in families with young adult children. The family composition and age of household head reflected in the data concur with this observation. Clothing may also be rented for business functions and charity fundraisers, which are more likely to be attended when both spouses are employed or earning above-average income.

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# Households with Expenditures for Housekeeping Services, Including Child Care

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During the last 5 years, families have increased their expenditures for housekeeping services, particularly for child care and home care of elderly or invalid persons. This article describes who is purchasing these services and how much they spend. A larger percentage of persons 75 years or older purchase domestic, gardening, and care services than other age groups. Child care services are purchased most often by families where both parents work, or the single parent works. Working single parents with child care expenses spend 9% of their income for child care.

Housekeeping services, as defined in the Consumer Price Index (CPI), include components as diverse as gardening services, appliance repairs, and babysitting. The components and the relative importance of each, as determined by the Bureau of Labor Statistics (3), are shown in table 1.

Since 1977, when the housekeeping index began, the CPI for housekeeping services has not increased as

rapidly as the CPI all-items or all-services indices. However, the average outlay for housekeeping services has increased, indicating that families are purchasing more of the services. A comparison of the 1986 Consumer Expenditure Survey (CEX) with the 1982-83 survey shows that families spent 33% more for housekeeping services in 1986, compared to a 12% increase in the housekeeping CPI index during that time period (2).<sup>1</sup> This increase in the mean expenditure was due primarily to expenditures for babysitting (up 34%), day care (up 65%), and care of invalids, convalescents, handicapped or elderly persons in the home (up 75%). During the 5-year period, the percentage of households who purchased these services remained nearly constant for the housekeeping category and each of its components.

## Housekeeping Services

Findings from this analysis related to spending for each category of housekeeping services are presented in table 2, p. 16. The percentage of consumer units incurring

the expenditure in a quarter of 1985 and the average annual expenditure of those households are provided.

Almost half of the consumer units had an expenditure for one or more housekeeping services. For these households who purchased a service, the average annual expenditure was \$651, which was 3% of average total expenditures for all households. For the few who had expenditures for the care of elderly, invalids, and convalescents in the home, the average annual expense was \$2,894.<sup>2</sup>

Nearly 8% had babysitting expenditures with a mean cost of \$966. Only babysitting, i.e., home care of children, is included in the CPI definition of housekeeping services, but babysitting and day care may be interchangeable for some families so day care expenses will be included in this discussion. The average expenditure for day care was \$1,372 for the nearly 5% of households who purchased this service. Six percent of all households purchased domestic services with an average expenditure of \$952. Other categories (e.g., gardening, repairs, and other services such as moving and rentals) were purchased by larger percentages of households, but the mean expenditures were relatively low.

The characteristics of households who purchase housekeeping services vary greatly. Whereas babysitting services are purchased primarily by households with children where the reference person is age 25 to 45, domestic services tend to be purchased by a higher percentage of households with persons who are 75 years or older. Thus, the overall housekeeping category conceals

**Table 1. Relative importance, by item, in the Consumer Price Index for All Urban Consumers**

|                                                             |       |
|-------------------------------------------------------------|-------|
| Housekeeping services .....                                 | 1.608 |
| Gardening and other household services .....                | .383  |
| Babysitting .....                                           | .302  |
| Domestic services .....                                     | .300  |
| Postage .....                                               | .261  |
| Appliance and furniture repair ..                           | .184  |
| Unpriced items .....                                        | .124  |
| Care of invalids, elderly, and convalescents in the home .. | .054  |

Source: U.S. Department of Labor, Bureau of Labor Statistics. The Consumer Price Index: 1987 Revision, Report 736.

<sup>1</sup>The naming convention and definition used for the Consumer Expenditure Survey are different from the Consumer Price Index. In the CEX, the overall category is named "Domestic" with "Housekeeping" as a subset. The overall category in the CPI is called "Housekeeping" with "Domestic" as a subcategory. In this article, the naming convention of the CPI is used so "housekeeping" always refers to the overall category. The definitional difference is an important one. The CEX definition for domestic services has both babysitting and day care, whereas the CPI has only babysitting in the housekeeping index and includes day care in personal and educational services.

<sup>2</sup>This figure assumes that households have expenses over the year that are similar to the expenses they reported for the quarter. All of the expenditure data in this survey are quarterly data. To provide an annual figure, the quarterly number is multiplied by four. For expenditures that may occur only once or twice a year, such as some cases of home care for the elderly or invalids and especially for convalescents, this procedure may inflate the expenditure estimate.

variations within the individual categories. Since the characteristics of users are so different, this article will analyze home services (table 3) separately from child care services (table 5, p. 19). *Home services* are defined in this paper as domestic, gardening, and invalid care. *Child care* includes babysitting and day care. *Repairs and other housekeeping services* are included in the *housekeeping* category but are not considered part of home or child care services and will be discussed briefly in a separate section.

The care of elderly, invalids, and convalescents in the home would seem to be allied with child care because the nature of the two services is similar. However, households that need care services for the elderly, invalids, and convalescents tend to be older households that also are more likely to use domestic and gardening services. Because this appears to be a cluster of services older families use, this analysis will include services for the elderly and invalids with home services.

## Home Services

**Domestic, Gardening, and Invalid Care Services.** Domestic services include cleaning, home laundering, and cooking. Gardening services include services provided under service contracts but not those covered by management or maintenance fees. Examples of gardening services are lawn cutting, lawn fertilizing, pruning, and tree removal. Care is for invalids, convalescents, handicapped, and elderly persons in the home and does not include institutional or medical care.

Table 3 provides information on total expenditures, housekeeping, and home services expenditures by selected household characteristics. The proportion of households that purchased the service and the average expenditure for these families are shown. For example, 44.9% of all households purchased a housekeeping service, and for these households, the average expenditure was \$651. For home services, 16.8% reported purchasing domestic, gardening, or invalid care with an average expenditure of \$708.

Income was a primary factor in choosing to purchase home services. Households with incomes of \$40,000 or more were about twice as likely as other households to buy home services; they also spent more than other households. As with the overall home services category, domestic and gardening services were purchased by a higher percentage of high-income households, especially those with incomes over \$40,000.

Age was an important factor also. It might be expected that persons age 25 to 44 would be consumers of domestic and gardening services since there may be young children in the family and both parents working. However, the percentage of these households using these services was no higher than several other age groups. For domestic services, the households that had the highest percentage of purchasers were older households, especially those with a reference person over 75. Similarly, households with a reference person 65 to 74 or over 75 had the highest percentage of purchasers for gardening services.

White families were more likely to use home services. A much higher proportion of white families, compared with black or other families, purchased domestic, gardening, or invalid care service.

Homeowners were more likely than renters to have domestic and gardening services expenses. This was probably related to the increased domestic and garden tasks related to home ownership. Renters may have lawn care or some cleaning services provided, may have smaller spaces requiring upkeep, and may lack incentive to spend money on another's property. About the same percentage of husband-wife families (with or without children) and single persons used domestic services. Husband-wife families without children were more likely to use gardening services, which may reflect the older age of this family type and their higher rate of homeownership (4).

**Table 2. Components of housekeeping services: Percent of households with the expenditure and mean expenditure values for those households, 1985**

|                                                | Percent<br>purchasing | Mean<br>expenditure <sup>1</sup> |
|------------------------------------------------|-----------------------|----------------------------------|
| Housekeeping services <sup>2</sup> .....       | 44.9                  | \$651                            |
| Domestic services .....                        | 6.4                   | 952                              |
| Gardening and lawn care services .....         | 12.6                  | 345                              |
| Care of invalids in home .....                 | 0.5                   | 2,894                            |
| Appliance and furniture repair .....           | 12.9                  | 390                              |
| Other housekeeping services <sup>3</sup> ..... | 20.5                  | 241                              |
| Babysitting .....                              | 7.6                   | 966                              |
| Day care <sup>4</sup> .....                    | 4.7                   | 1,372                            |

<sup>1</sup> The quarterly mean was multiplied by 4 to present an estimate of the annual expenditure mean.

<sup>2</sup> Postage is a component of the Consumer Price Index but not included here since the interview component of the Consumer Expenditure Survey does not include postage data.

<sup>3</sup> This category includes water softening service; moving, storage, and freight express; non-clothing laundry and dry cleaning; furniture, TV, and VCR rentals; household equipment rentals; management and upkeep services for security.

<sup>4</sup> Day care is included in personal and educational services, not in the housekeeping category, of the CPI but is listed here because it relates to babysitting.



**Table 3. Expenditures for home services: Percent of households with the expenditures and mean expenditures for those households, 1985**

| Household characteristic                     | Total expenditures <sup>1</sup> | Home services             |             |                    |             |                    |             | Combined home services <sup>3</sup> |             |                    |       |
|----------------------------------------------|---------------------------------|---------------------------|-------------|--------------------|-------------|--------------------|-------------|-------------------------------------|-------------|--------------------|-------|
|                                              |                                 | Housekeeping <sup>2</sup> |             | Domestic           |             | Gardening          |             |                                     |             | Care               |       |
|                                              | Mean dollar                     | Percent purchasing        | Mean dollar | Percent purchasing | Mean dollar | Percent purchasing | Mean dollar | Percent purchasing                  | Mean dollar | Percent purchasing |       |
| All households .....                         | \$20,179                        | 44.9                      | \$651       | 6.4                | \$952       | 12.6               | \$345       | 0.5                                 | \$2,894     | 16.8               | \$708 |
| Income brackets:                             |                                 |                           |             |                    |             |                    |             |                                     |             |                    |       |
| Under \$10,000 .....                         | 11,098                          | 39.0                      | 425         | 3.9                | 720         | 9.2                | 351         | .9                                  | 1,924       | 12.0               | 652   |
| \$10,000 - \$19,999 .....                    | 15,364                          | 42.4                      | 444         | 4.7                | 641         | 9.8                | 261         | .2                                  | 2,169       | 12.9               | 472   |
| \$20,000 - \$29,999 .....                    | 20,300                          | 45.6                      | 543         | 4.0                | 680         | 10.7               | 317         | .4                                  | 2,450       | 13.4               | 533   |
| \$30,000 - \$39,999 .....                    | 24,704                          | 48.7                      | 582         | 5.1                | 710         | 14.5               | 227         | .4                                  | 1,841       | 17.8               | 428   |
| \$40,000 and over .....                      | 36,538                          | 58.1                      | 1,070       | 14.4               | 1,254       | 22.2               | 365         | .5                                  | 5,237       | 31.5               | 905   |
| Age of reference person (years):             |                                 |                           |             |                    |             |                    |             |                                     |             |                    |       |
| Under 25 .....                               | 12,278                          | 40.7                      | 215         | 0.8                | 400         | 1.8                | 157         | .0                                  | 116         | 2.6                | 235   |
| 25 - 34 .....                                | 19,935                          | 48.1                      | 659         | 3.7                | 771         | 7.6                | 243         | .2                                  | 1,078       | 10.4               | 468   |
| 35 - 44 .....                                | 25,239                          | 46.3                      | 722         | 7.7                | 1,005       | 12.5               | 313         | .1                                  | 473         | 17.8               | 659   |
| 45 - 54 .....                                | 25,962                          | 43.3                      | 630         | 6.9                | 1,100       | 13.7               | 408         | .7                                  | 1,134       | 19.2               | 726   |
| 55 - 64 .....                                | 20,824                          | 39.4                      | 669         | 7.9                | 819         | 13.8               | 416         | .4                                  | 3,740       | 18.5               | 737   |
| 65 - 74 .....                                | 16,244                          | 44.0                      | 663         | 6.7                | 840         | 19.8               | 374         | .7                                  | 4,309       | 22.7               | 711   |
| Over 75 .....                                | 11,653                          | 50.7                      | 837         | 12.5               | 1,151       | 23.3               | 321         | 2.5                                 | 3,581       | 31.3               | 990   |
| Race:                                        |                                 |                           |             |                    |             |                    |             |                                     |             |                    |       |
| White .....                                  | 20,965                          | 46.1                      | 679         | 7.1                | 966         | 13.3               | 353         | .6                                  | 2,930       | 18.0               | 735   |
| Black and other .....                        | 15,046                          | 37.1                      | 426         | 1.4                | 497         | 8.0                | 258         | .2                                  | 2,267       | 9.1                | 358   |
| Housing tenure:                              |                                 |                           |             |                    |             |                    |             |                                     |             |                    |       |
| Homeowners .....                             | 23,667                          | 47.6                      | 778         | 8.4                | 1,024       | 18.9               | 354         | .6                                  | 3,132       | 23.8               | 723   |
| Renters .....                                | 14,502                          | 40.5                      | 409         | 3.1                | 636         | 2.3                | 220         | .4                                  | 2,221       | 5.4                | 604   |
| Family composition:                          |                                 |                           |             |                    |             |                    |             |                                     |             |                    |       |
| Husband and wife only .....                  | 22,220                          | 42.8                      | 669         | 7.0                | 1,038       | 16.5               | 363         | .5                                  | 4,751       | 20.3               | 760   |
| Husband and wife with own children .....     | 27,478                          | 49.8                      | 854         | 7.5                | 1,073       | 11.2               | 384         | .4                                  | 1,138       | 16.7               | 764   |
| Single parent with children .....            | 15,603                          | 46.5                      | 608         | 2.1                | 833         | 9.7                | 239         | .1                                  | 76          | 11.1               | 369   |
| Other families .....                         | 17,521                          | 39.7                      | 556         | 4.1                | 873         | 9.2                | 372         | .5                                  | 1,245       | 11.9               | 640   |
| Single persons .....                         | 12,183                          | 43.0                      | 417         | 6.4                | 736         | 12.4               | 293         | .8                                  | 3,256       | 16.7               | 653   |
| Earners composition:                         |                                 |                           |             |                    |             |                    |             |                                     |             |                    |       |
| Husband or single male reference person ..   | 21,340                          | 41.2                      | 610         | 6.0                | 1,059       | 10.6               | 414         | .4                                  | 4,431       | 14.5               | 852   |
| Wife or single female reference person ..... | 15,227                          | 43.1                      | 450         | 3.9                | 757         | 10.4               | 267         | .2                                  | 1,707       | 12.7               | 479   |
| Husband and wife .....                       | 27,804                          | 50.3                      | 840         | 8.0                | 1,068       | 12.4               | 326         | .4                                  | 1,150       | 18.2               | 715   |
| Neither husband or wife .....                | 12,307                          | 43.5                      | 563         | 6.8                | 739         | 17.1               | 349         | 1.1                                 | 3,252       | 21.3               | 692   |

<sup>1</sup> Total expenditures are for all consumer units. Other expenditure means are for only those consumer units purchasing the service.

<sup>2</sup> Housekeeping services as defined by the CPI: domestic, gardening, care of invalids, appliance and furniture repair, babysitting, other.

<sup>3</sup> Combined home services are domestic, gardening, and care of invalids, convalescents, handicapped, or elderly persons in the home.

Similar explanations may be appropriate for the values related to earner composition. For gardening, a higher percentage of households with no earners used the service. These may have been retired persons who were older, thus supporting the earlier premise that persons over 65 years of age are more likely to be users of gardening services.

Care services for elderly, invalids, handicapped, and convalescents in the home were purchased by only 0.5% of the population, but this expense can make a substantial impact on the budget of those who have the expenditure. These tend to be older families, especially those with a reference person 75 years or older. Of these households, 2.5% reported an expenditure that averaged \$3,581.

**Combined Home Services for Older Families.** Because domestic, gardening, and care services are used by a higher percentage of older families (as shown in table 3), additional analysis of these expenditures by families with the reference person over 65 years was conducted. Of households with a reference person over 75 years, nearly a third purchased these home services. The average outlay among purchasing households was \$990, 7% of their average income.

It is possible that these persons were buying home services to maintain a large home and yard that they did not want to leave. Seventy-nine percent of those between the ages of 65 and 74 owned their homes and 67% of those 75 years or older were owners. Others may have moved into new housing arrangements, yet needed home services such as cleaning, laundry, cooking, yard, and care services to assist them in continuing their independent living status.

Also, the need for such services may be greater if a person lives alone, because households with more persons can share the tasks and provide care for each other. Household heads 75 years or older are more likely to live alone than persons 65 to 74 years old. Fifty-four

percent of the older group lived in single-person consumer units<sup>3</sup> compared with 32% of the younger group.

An examination of the data, shown in table 4, suggests the following observations:

- Households with a reference person over 75 years of age were more likely to buy home services and to spend more than households headed by a person 65-74 years.
- If a person lived alone, she or he was more likely to buy home services.
- Income, as well as need, was a factor. The percentage of consumer units who purchased the service increased as income increased.<sup>4</sup>

Thus, the purchase of home services is affected by the need for the service and the resources available to pay for the service. The need may be greater for persons 75 or older, particularly if they live alone. Of these households, those with higher incomes are more able to purchase

<sup>3</sup> Although these persons lived in single-person consumer units, some may not actually live alone. They may share a dwelling with others but remain financially independent so are considered separate consumer units.

<sup>4</sup> Asset level was not analyzed for this study but probably affected these expenditures.

services that may make their lives more comfortable.

## Repairs and Other Services

Those households most likely to purchase appliance and furniture repairs were white, husband-wife families, homeowners, and consumer units with higher incomes. The likelihood of purchasing other housekeeping services that included moving and household equipment rentals was greater for single persons, renters, and those under 25 years of age.

## Child Care Services

In this study, babysitting was defined as home care for children, whether in the respondent's home or the caregiver's home. Day care was participation in nursery school or day care centers, including noninstructional day camps. Some families would use both services so babysitting and day care were summed for each family and termed child care expenditures.

The proportion of families using child care and the average amount spent became greater as family income increased (table 5). Child care expenses may be higher for upper income families because the greater incomes were the result of

**Table 4. Home services (domestic, gardening, care) for households with reference person 65-74 or 75+ years: Percent of households with expenditure and mean expenditure for those households, 1985**

| Household characteristic            | Percent purchasing |              | Mean expenditure |              |
|-------------------------------------|--------------------|--------------|------------------|--------------|
|                                     | 65-74 years        | 75 and older | 65-74 years      | 75 and older |
| Total households .....              | 23                 | 31           | \$711            | \$990        |
| Reference person lives alone:       |                    |              |                  |              |
| All incomes .....                   | 24                 | 37           | 757              | 913          |
| Less than \$10,000 .....            | 21                 | 34           | 704              | 899          |
| \$10,000 - \$20,000 .....           | 23                 | 49           | 454              | 817          |
| Over \$20,000 .....                 | 54                 | 63           | 1,298            | 1,337        |
| Reference person lives with others: |                    |              |                  |              |
| All incomes .....                   | 22                 | 25           | 688              | 1,121        |
| Less than \$10,000 .....            | 13                 | 19           | 709              | 942          |
| \$10,000 - \$20,000 .....           | 16                 | 23           | 430              | 592          |
| Over \$20,000 .....                 | 38                 | 40           | 792              | 1,817        |

**Table 5. Expenditure for child care services: Percent of households with the expenditures and mean expenditures for those households, 1985**

| Household characteristic                     | Child care               |             |                    |             |                                  |             |
|----------------------------------------------|--------------------------|-------------|--------------------|-------------|----------------------------------|-------------|
|                                              | Babysitting <sup>1</sup> |             | Day care           |             | Combined child care <sup>2</sup> |             |
|                                              | Percent purchasing       | Mean dollar | Percent purchasing | Mean dollar | Percent purchasing               | Mean dollar |
| All households .....                         | 7.6                      | \$966       | 4.7                | \$1,372     | 10.6                             | \$1,303     |
| Income brackets:                             |                          |             |                    |             |                                  |             |
| Under \$10,000 .....                         | 3.3                      | 867         | 1.5                | 968         | 4.5                              | 961         |
| \$10,000 - \$19,999 .....                    | 5.7                      | 876         | 2.9                | 1,158       | 7.8                              | 1,065       |
| \$20,000 - \$29,999 .....                    | 10.1                     | 885         | 5.9                | 1,354       | 13.9                             | 1,217       |
| \$30,000 - \$39,999 .....                    | 11.3                     | 1,007       | 7.5                | 1,348       | 16.3                             | 1,315       |
| \$40,000 and over .....                      | 13.4                     | 1,065       | 9.6                | 1,498       | 18.5                             | 1,551       |
| Age of reference person (years):             |                          |             |                    |             |                                  |             |
| Under 25 .....                               | 5.6                      | 817         | 1.8                | 699         | 6.8                              | 857         |
| 25 - 34 .....                                | 18.2                     | 1,051       | 10.4               | 1,330       | 24.7                             | 1,329       |
| 35 - 44 .....                                | 12.8                     | 828         | 8.8                | 1,408       | 18.1                             | 1,270       |
| 45 - 54 .....                                | 2.7                      | 875         | 2.2                | 1,814       | 4.2                              | 1,498       |
| 55 - 64 .....                                | 0.5                      | 2,455       | 0.7                | 1,322       | 1.2                              | 1,983       |
| 65 - 74 .....                                | 0.3                      | 888         | 0.3                | 1,667       | 0.5                              | 1,446       |
| Over 75 .....                                | 0.0                      | 0           | 0.0                | 0           | 0.0                              | 0           |
| Family composition:                          |                          |             |                    |             |                                  |             |
| Husband and wife only .....                  | 1.0                      | 1,331       | 1.2                | 1,610       | 2.0                              | 1,601       |
| Husband and wife with own children .....     | 19.3                     | 947         | 11.4               | 1,298       | 26.2                             | 1,263       |
| Single parent with children .....            | 17.1                     | 981         | 12.2               | 1,662       | 25.3                             | 1,463       |
| Other families .....                         | 3.9                      | 1,023       | 1.8                | 1,471       | 5.4                              | 1,248       |
| Single persons .....                         | 0.1                      | 332         | 0.1                | 505         | 0.2                              | 567         |
| Earners composition:                         |                          |             |                    |             |                                  |             |
| Husband or single male reference person ..   | 5.5                      | 521         | 4.0                | 995         | 8.2                              | 841         |
| Wife or single female reference person ..... | 5.9                      | 996         | 4.1                | 1,697       | 8.4                              | 1,507       |
| Husband and wife .....                       | 15.7                     | 1,115       | 8.8                | 1,464       | 21.1                             | 1,440       |
| Neither husband or wife .....                | 0.7                      | 465         | 0.4                | 656         | 1.0                              | 580         |

<sup>1</sup> A family may report babysitting or day care expenses or be represented in both columns.

<sup>2</sup> Combined child care services are the sum of babysitting and day care for each family.



both parents working (which increased the need for child care services). Also, more income allows more opportunity to purchase child care services so lower cost arrangements such as child care exchanges or family assistance may not be used as extensively by higher income families. As expected, families with the reference person 25 to 34 and 35 to 44 years of age were more likely to use child care services because these are child-bearing and child-rearing years.

One in four husband and wife families with children or single-parent families with children had some expenditures for child care during the quarter. Those without expenditures may have children who are old enough to care for themselves. Also, the care of younger children may be provided by older siblings, grandparents, and other family members or some noncash arrangement such as child care exchanges. The mean for those with an expenditure was \$1,263 per year for husband, wife, and children families and \$1,463 for single-parent families. However, these averages do not reveal the wide range of costs. Some paid for a few hours of care for one child, but others paid for child care for several children for all the hours the parents worked. Child care expenditures were reported by a very small percentage of "husband-wife only" and "other" families. Average expenditures for these families, however, were substantial.

Table 5 shows that the number of earners in the households was related to child care expenses, but consideration also must be given to whether the family has one or two

parents. Table 6 provides information on child care expenditures for single-parent and dual-parent families with one- or two-parent earners. Two-parent, two-earner families and single-parent families with the parent working were more likely to use child care services and spent more than two-parent, one-earner families. Single-parent families spent 9% of their average income for child care, two to three times the share two-parent families spent.

### Reasons To Provide Consumer Information on Housekeeping Services to Consumers


Housekeeping services, although not a major expenditure for all households, require substantial outlays for some households. For example, households with a reference person 75 years or older that purchase home services spend 7% of their income on those services. Single-parent, single-earner households allocate 9% of their income to child care.

Housekeeping services may be more difficult than goods or some other services to evaluate and purchase because they are not standardized or mass-produced. For example, care of an invalid or child is a very individualized service. The nature of the service caretakers provide vary greatly. Other examples of individualized needs are domestic services such as cleaning and cooking that require the service provider to have some knowledge of the tastes and standards of the purchaser.

In addition, the nature of the industry is changing for some types of housekeeping services. The number of licensed day care centers has increased greatly, and similar growth has taken place in the lawn care industry. Domestic services are now available through companies, in addition to those arrangements made with individuals. Procurement of these services, once personalized and unstructured, has become—for many consumers—a more formal arrangement. For example, costs are established, set by the provider after evaluating marketplace conditions and not negotiable on a one-to-one basis. Similarly, other rules related to the service transaction, such as the hours involved, may be quite inflexible and not subject to variation or substitution.

For the above reasons, consumers may benefit from informational and educational opportunities related to housekeeping services. However, such offerings must be targeted to appropriate families because housekeeping services are not staples of American households but, rather, periodic requirements of families with particular needs or interests at certain stages of their lives.

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**Table 6. Child care expenditures: Percent of households with expenditures and mean expenditures for those households, 1985**

| Earner composition                  | Percent purchasing | Mean expenditure | Expenditure as percent of income |
|-------------------------------------|--------------------|------------------|----------------------------------|
| Two parents, both earners . . . . . | 31                 | \$1,439          | 4                                |
| Two parents, one earner . . . . .   | 19                 | 688              | 2                                |
| One parent, one earner . . . . .    | 31                 | 1,547            | 9                                |



# Households with Expenditures for Entertainment Services

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Households were studied to examine the relationship between socioeconomic characteristics and expenditures for entertainment services. Data from the 1985 Consumer Expenditure Survey demonstrate that household expenditures for entertainment services increase as income and education increase. Husband and wife families with and without children, homeowners, households in the urban West, and white households were more likely than other households to purchase entertainment services. These same purchasing households also report high levels of spending for entertainment services and total expenditures.

**P**rices for entertainment services, as measured by the Consumer Price Index (CPI), increased by 136% between 1973 and 1988, less than prices for all services (209%) and for all items (162%). However, since 1982 the rate of increase in prices for entertainment services has been greater than that for all services and all items (figure 1).

Entertainment services include: admissions fees, club memberships, fees for participant sports, fees for recreation lessons and instructions, and other entertainment services. These categories, defined by the Bureau of Labor Statistics for the CPI and used in this study, are described in the box on p. 23.

In 1985, 66% of the Consumer Expenditure Survey (CEX) households reported entertainment expenditures (table 1, p. 22). Expenditures for admissions to movies, concerts, and sporting events were purchased by 45%, club memberships by 20%, fees for participant sports by 18%, recreation lessons by 10%, and expenditures for other entertainment services were reported by 40% of households.

The average expenditure for all entertainment services, by purchasing households, was \$574. For those reporting an expenditure, the average outlay was \$257 for admissions, \$366 for club memberships, \$334 for participant sports, and \$425 for recreation lessons. Mean expenditure by purchasing households for other entertainment services was \$227.

## Demographic Characteristics

Characteristics of households more likely to purchase entertainment services were often the same characteristics identifying households with highest mean expenditures for these services and highest total expenditure level.

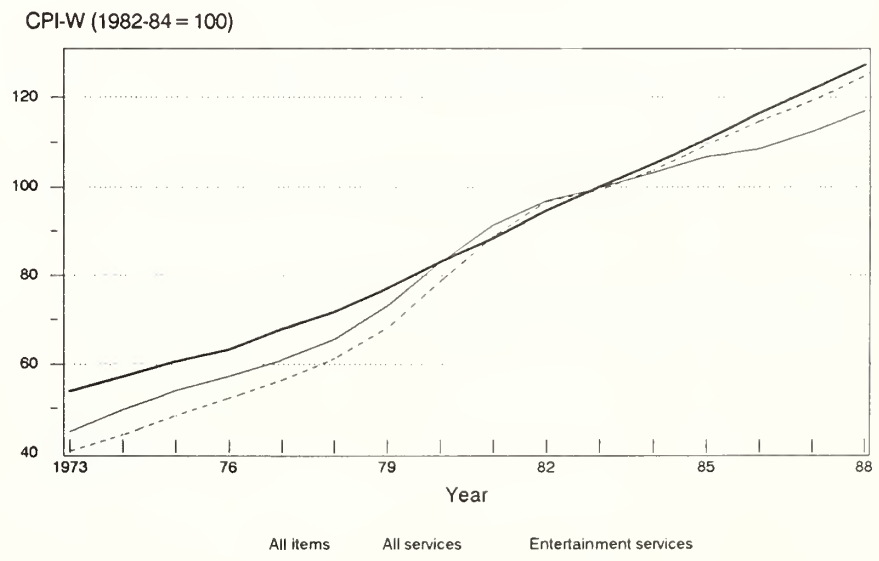
**Income.** In this analysis, households were divided into five income brackets—under \$10,000, \$10,000 to \$19,999, \$20,000 to \$29,999, \$30,000 to \$39,999, and \$40,000 and over. The percentage of households reporting entertainment service expenditures increased with each income bracket.

Households in the higher income brackets tended to have a greater outlay for entertainment services. Mean total entertainment expenditures ranged from \$340 to \$996, increasing with income. Households with incomes of \$40,000 or more spent more than others on admissions fees, club memberships, participant sports fees, recreation lessons, and other entertainment services.

**Age of Reference Person.** Households with a reference person under age 55 were more likely to purchase entertainment services than older households. These younger households were also more likely to report spending for admissions fees. The purchase of club memberships varied only slightly among households categorized by age of the reference person; 21% or 22% of households with a reference person

Figure 1

## Changes in consumer prices for entertainment services



**Table 1. Expenditures for selected entertainment services: Percent of households with the expenditure and mean expenditure for those households, 1985**

| Household characteristics                          | Total expenditures <sup>1</sup> |                    | Total entertainment |                    | Admissions         |              | Club memberships <sup>2</sup> |              | Participant sports |              | Recreation lessons |              | Other entertainment |  |
|----------------------------------------------------|---------------------------------|--------------------|---------------------|--------------------|--------------------|--------------|-------------------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--|
|                                                    | Mean dollars                    | Percent purchasing | Mean dollars        | Percent purchasing | Percent purchasing | Mean dollars | Percent purchasing            | Mean dollars | Percent purchasing | Mean dollars | Percent purchasing | Mean dollars | Percent purchasing  |  |
| All households .....                               | \$20,179                        | 66.2               | \$574               | 45.4               | \$257              | 19.5         | \$366                         | 17.9         | \$334              | 9.9          | \$425              | 39.7         | \$227               |  |
| Income brackets:                                   |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| Under \$10,000 .....                               | 11,098                          | 44.8               | 340                 | 29.7               | 161                | 11.2         | 298                           | 8.0          | 263                | 3.8          | 359                | 20.1         | 179                 |  |
| \$10,000 - \$19,999 .....                          | 15,364                          | 60.7               | 362                 | 37.2               | 198                | 16.6         | 257                           | 12.9         | 273                | 5.5          | 308                | 33.0         | 156                 |  |
| \$20,000 - \$29,999 .....                          | 20,300                          | 76.7               | 437                 | 51.6               | 216                | 20.4         | 248                           | 19.2         | 258                | 11.0         | 322                | 45.0         | 196                 |  |
| \$30,000 - \$39,999 .....                          | 24,704                          | 83.8               | 561                 | 58.1               | 245                | 25.9         | 347                           | 24.3         | 302                | 14.9         | 346                | 54.8         | 205                 |  |
| \$40,000 and over .....                            | 36,538                          | 89.9               | 996                 | 67.9               | 378                | 34.2         | 509                           | 34.2         | 434                | 21.3         | 524                | 67.5         | 304                 |  |
| Age of reference person (years):                   |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| Under 25 .....                                     | 12,278                          | 74.0               | 322                 | 60.6               | 167                | 14.2         | 278                           | 15.9         | 196                | 4.0          | 304                | 32.6         | 166                 |  |
| 25 - 34 .....                                      | 19,935                          | 74.2               | 484                 | 52.4               | 207                | 18.0         | 334                           | 21.8         | 276                | 11.6         | 352                | 45.1         | 199                 |  |
| 35 - 44 .....                                      | 25,239                          | 77.2               | 680                 | 58.3               | 248                | 21.8         | 352                           | 22.9         | 349                | 20.7         | 439                | 49.4         | 270                 |  |
| 45 - 54 .....                                      | 25,962                          | 71.9               | 726                 | 51.2               | 324                | 22.2         | 359                           | 21.4         | 371                | 11.6         | 583                | 50.2         | 258                 |  |
| 55 - 64 .....                                      | 20,824                          | 61.5               | 603                 | 35.7               | 344                | 21.4         | 417                           | 16.1         | 376                | 4.2          | 437                | 37.7         | 212                 |  |
| 65 - 74 .....                                      | 16,244                          | 50.0               | 564                 | 25.8               | 346                | 21.1         | 383                           | 10.4         | 439                | 3.8          | 250                | 27.0         | 209                 |  |
| Over 75 .....                                      | 11,653                          | 31.3               | 480                 | 13.5               | 260                | 13.5         | 478                           | 5.3          | 470                | 0.8          | 309                | 12.7         | 184                 |  |
| Race:                                              |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| White .....                                        | 20,965                          | 69.4               | 590                 | 47.3               | 265                | 20.9         | 375                           | 19.5         | 332                | 10.7         | 404                | 42.7         | 230                 |  |
| Black and other .....                              | 15,046                          | 45.5               | 409                 | 32.9               | 190                | 10.3         | 246                           | 7.3          | 353                | 4.9          | 717                | 20.2         | 187                 |  |
| Housing tenure:                                    |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| Homeowners .....                                   | 23,667                          | 70.2               | 662                 | 45.8               | 288                | 23.3         | 395                           | 20.6         | 361                | 12.4         | 438                | 46.4         | 242                 |  |
| Renters .....                                      | 14,502                          | 59.8               | 404                 | 44.6               | 206                | 13.4         | 284                           | 13.4         | 265                | 5.7          | 379                | 28.7         | 190                 |  |
| Family composition:                                |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| Husband and wife .....                             | 22,220                          | 65.8               | 631                 | 37.9               | 295                | 23.8         | 443                           | 18.3         | 395                | 6.6          | 409                | 42.6         | 232                 |  |
| Husband and wife with own children <sup>3</sup> .. | 27,478                          | 79.0               | 696                 | 55.7               | 278                | 23.0         | 371                           | 25.1         | 344                | 19.4         | 461                | 56.0         | 238                 |  |
| Single parent with children .....                  | 15,603                          | 58.9               | 408                 | 45.5               | 179                | 10.8         | 216                           | 12.2         | 316                | 10.6         | 390                | 28.3         | 195                 |  |
| Single person .....                                | 12,183                          | 57.3               | 417                 | 42.3               | 219                | 15.8         | 291                           | 13.4         | 271                | 4.1          | 350                | 25.1         | 198                 |  |
| Other families .....                               | 17,521                          | 57.6               | 428                 | 40.9               | 244                | 13.8         | 310                           | 10.9         | 226                | 4.6          | 255                | 29.4         | 230                 |  |
| Household size:                                    |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| 1 member .....                                     | 12,183                          | 57.3               | 417                 | 42.3               | 219                | 15.8         | 291                           | 13.4         | 271                | 4.1          | 350                | 25.1         | 198                 |  |
| 2 members .....                                    | 19,945                          | 64.3               | 565                 | 38.7               | 275                | 21.8         | 418                           | 16.1         | 358                | 5.9          | 362                | 39.0         | 224                 |  |
| 3 members .....                                    | 24,275                          | 73.4               | 599                 | 49.7               | 283                | 20.5         | 338                           | 19.9         | 374                | 11.7         | 363                | 49.3         | 228                 |  |
| 4 members .....                                    | 27,245                          | 76.7               | 720                 | 55.7               | 273                | 22.5         | 416                           | 26.0         | 310                | 21.3         | 441                | 55.0         | 240                 |  |
| 5 members .....                                    | 26,463                          | 74.5               | 677                 | 55.0               | 258                | 20.2         | 297                           | 23.1         | 386                | 20.1         | 497                | 47.0         | 241                 |  |
| 6 members or more .....                            | 24,026                          | 61.4               | 643                 | 44.4               | 211                | 12.5         | 365                           | 15.4         | 329                | 13.5         | 721                | 38.3         | 281                 |  |
| Region of residence:                               |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| Urban                                              |                                 |                    |                     |                    |                    |              |                               |              |                    |              |                    |              |                     |  |
| Northeast .....                                    | 19,860                          | 63.2               | 655                 | 44.1               | 298                | 17.1         | 498                           | 16.7         | 355                | 9.5          | 544                | 36.1         | 240                 |  |
| Midwest .....                                      | 20,016                          | 70.4               | 586                 | 49.9               | 252                | 22.0         | 313                           | 24.3         | 317                | 11.5         | 404                | 42.4         | 222                 |  |
| South .....                                        | 20,341                          | 62.8               | 544                 | 42.9               | 213                | 18.1         | 426                           | 14.4         | 351                | 9.9          | 394                | 36.9         | 227                 |  |
| West .....                                         | 22,953                          | 75.6               | 640                 | 53.7               | 318                | 23.6         | 364                           | 20.0         | 321                | 11.0         | 426                | 46.2         | 251                 |  |
| Rural .....                                        | 17,548                          | 59.8               | 412                 | 35.7               | 194                | 17.0         | 198                           | 14.2         | 330                | 7.2          | 348                | 37.8         | 190                 |  |

<sup>1</sup> Total expenditures are for all households surveyed.

<sup>2</sup> Includes credit card membership fees.

<sup>3</sup> "Own" children includes stepchildren and adopted children of the householder.

## Entertainment Service Definitions

|                              |                                                                                                                                                                                                                                          |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total entertainment services | The sum of the groups described below.                                                                                                                                                                                                   |
| Admissions                   | Fees paid both at home and on trips for theater, concert, opera or other musical series, season tickets, sporting events; and events, museums, and tours when traveling.                                                                 |
| Club memberships             | Membership fees for country clubs, swimming pools, tennis clubs or other social, recreational or fraternal organizations, civic organizations, automobile service clubs, and credit card memberships. <sup>1</sup>                       |
| Fees for participant sports  | Fees paid both at home or on trips for participant sports. Excludes club membership fees.                                                                                                                                                |
| Recreation lessons           | Fees paid for recreation lessons and instructions.                                                                                                                                                                                       |
| Other entertainment services | Expenditures for film processing, pet services, veterinary services, entertainment expenses on out-of-town trips, rental and repair of musical instruments, rental and repair of photographic and sporting equipment, and video rentals. |

<sup>1</sup> Credit card memberships include annual membership fees paid for credit cards such as VISA, Mastercard, and American Express regardless of the type of purchase made with the card (3).

between 35 and 74 years had this expenditure. In contrast, a higher proportion of households headed by persons age 25 to 54 reported spending for participant sport fees, recreation lessons, and other entertainment services.

Of households purchasing entertainment services, those whose reference person was age 45 to 54 spent the most for entertainment (\$726), followed by households headed by persons age 35 to 44 (\$680). Dollar amounts spent for admissions, club memberships, and fees for participant sports generally increased as the reference person's age increased. Recreation lesson fees were highest in households with a reference person age 45 to 54, and other entertainment services were highest in households headed by persons age 35 to 44.

Analysis of individual components of the other entertainment services category shows that among purchasing households, those headed by persons age 65 to 74 (7%

purchasing) spent the most of all groups for entertainment on trips, and the oldest families (reference person age 75 and over) had the highest expenditures for recreational vehicle rental. However, less than 1% of the families in any age subgroup reported expenditures for the rental of recreational vehicles.

**Race.** White households were more likely than black and other households to have expenditures for entertainment services in each category. Also, white households reported spending more for total entertainment services than black and other households. Although only 5% of black and other households purchased recreation lessons, these households had a mean expenditure exceeding \$700, compared with about \$400 for white households (11% purchasing).

**Housing Tenure.** Homeowners were more likely than renters to make entertainment purchases in most categories. For admissions, however, a similar percentage of

homeowners and renters reported an expenditure. Expenditures for entertainment services were consistently higher among homeowners.

Further examination of other entertainment services reveals that a higher percentage of homeowners (6%) than renters (2%) reported spending for pet services. However, renters who purchased pet services spent more, on average, than homeowners (\$259, compared with \$199).

**Family Composition.** Seventy-nine percent of husband-wife families with own children purchased entertainment services. These families were more likely than other families to report expenditures in each category except club memberships. Club memberships were reported as often by husband-wife families without children as by those with children.

Husband-wife families with own children had higher total expenditures and higher expenditures for entertainment services than did other types of families. Husband-wife families without children spent the most for admissions fees, club memberships, and fees for participant sports. Husband-wife families with own children spent more for recreation lesson fees and other entertainment services than did other families.

**Household Size.** Three-, four-, and five-member households were more likely to purchase entertainment services than other households (73-77% reporting). These households also were most likely to report expenses for admissions, participant sports, and other entertainment services.

Four-member households had the highest total entertainment expenditures. Per capita expenditures decreased with increasing household size. Mean expenditures for recreation lesson fees and other entertainment services increased with household size, ranging from \$350 to \$721 and \$198 to \$281, respectively.



**Region.**<sup>1</sup> Urban households in the West had the highest proportion (76%) of households reporting any entertainment expenditure. In addition, Western households were more likely to purchase admissions, club memberships, and other entertainment expenditures than were households in other regions. Mid-western households reported spending for participant sports more frequently than households in other regions of the country.

Urban households in the Northeast and West reported the highest expenditures for total entertainment services. Western households spent more than others for admissions fees and for other entertainment services. Northeastern households spent the most for club memberships and recreation lessons.

Rural households were less likely than urban households to purchase an entertainment service. Fewer rural households reported spending for admissions, 36% compared with 43% to 54% for urban households.

Average expenditures for entertainment services were lower in rural households—\$412 compared with \$544 to \$655 for urban households in the four regions. Rural households reported lower expenditures than did urban households in all categories except participant sports.

**Education of Reference Person.** Expenditures for entertainment services were also examined for households with reference persons having four education levels: no high school diploma, high school diploma, 1 to 4 years of college, and more than 4 years of college. The percent of households who purchased entertainment services became higher with each higher level of education. Total expenditures and total entertainment services expenditures rose with increased education. Spending for admissions fees, club memberships, fees for participant sports, recreation lessons, and other

entertainment services also were higher as education increased (figure 2).

## Characteristics of the Entertainment Consumer

Households more likely to purchase entertainment services have higher incomes, own their home, are husband-wife families with or without children, and live in an urban setting. In addition, reference persons in these purchasing households were younger, better educated (over 4 years of college), and more likely to be white. For most of the demographic categories studied, households that were most likely to purchase any entertainment service also had higher outlays for total expenditures and total entertainment expenditures.

Less than half of black and other households, households with incomes under \$10,000, and households with a reference person 75 years and older reported expenditures for entertainment services.

## References


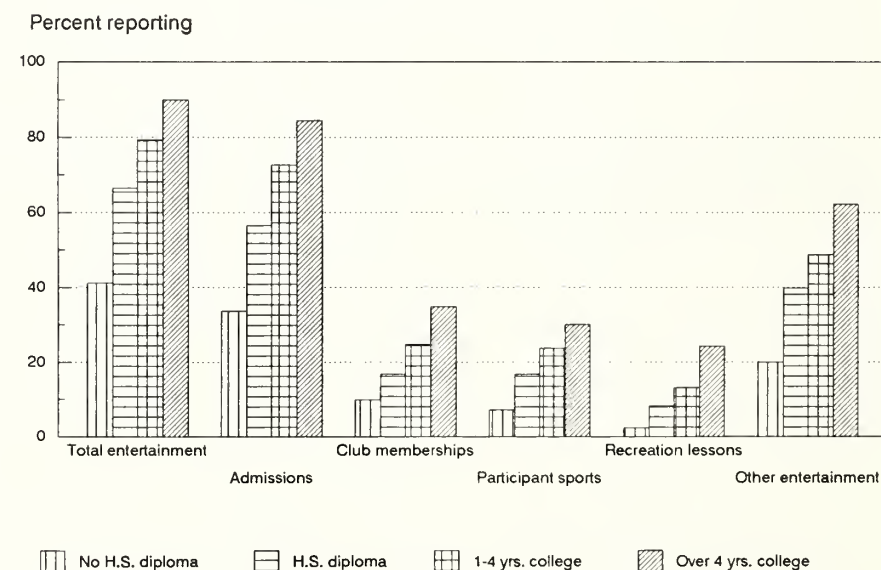
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Figure 2

## Entertainment expenditures

by educational level of respondent



<sup>1</sup> In the CEX dataset, only urban households are reported by region; all rural households are reported together.

# Research Summaries

## Poverty in the 1980's

Are the poor getting poorer? Two measures for comparing the circumstances of the poor over time are the **average or mean income deficit** and the **deficit per family member** of households falling below the poverty threshold. The poverty threshold is a set of money income levels that vary by family size and number of children and are adjusted annually for inflation by multiplying by the change in the Consumer Price Index. In 1986 poverty thresholds ranged from about \$5,600 for a person living alone to \$22,500 for a family of nine or more.

### Average Income Deficit

The income deficit is the amount of money separating the income of a given family from the appropriate poverty threshold. In 1959 the average deficit for all poor families was \$4,435 (in 1986 dollars, see table), but decreased to \$3,837 by 1969 and then varied little from this amount during the 1970's. This average deficit grew larger during the 1980's, reaching \$4,394 in 1986. The average income deficit, however, masks changes in family size over time and varying mixes of family type. For example, if the average family size is two persons in one year and five persons in another, the potential deficit for the two-person family is restricted to a poverty threshold that is only about half that of the five-person family. Also, the proportion of all poor families headed by a woman has increased over time.

Therefore, the average income deficit by sex of the householder was examined. Both male-headed (including all married-couple families and families with a male householder and no spouse present) and female-headed poor families saw relatively large decreases in the average deficit during the 1960's. However, the average deficit for poor households headed by a

woman began the decade \$1,000 higher than the deficit for poor families maintained by a man (\$5,214 versus \$4,202 in 1959) and remained higher through the 1970's and 1980's. This was the case even though the average family size was smaller for poor families headed by a woman (3.31 in 1986, compared with 3.76 for other family types). Since both male- and female-headed families

**Average income deficit and deficit per family member,<sup>1</sup> for all poor families, 1959-86**

| Year | Average income deficit<br>for poor families |                                       |                                                           | Deficit per family member |                          |                                                           |
|------|---------------------------------------------|---------------------------------------|-----------------------------------------------------------|---------------------------|--------------------------|-----------------------------------------------------------|
|      | All<br>families                             | Male<br>house-<br>holder <sup>2</sup> | Female<br>house-<br>holder<br>and no<br>spouse<br>present | All<br>families           | Male<br>house-<br>holder | Female<br>house-<br>holder<br>and no<br>spouse<br>present |
| 1959 | \$4,435                                     | \$4,202                               | \$5,214                                                   | \$1,068                   | \$977                    | \$1,425                                                   |
| 1965 | 4,204                                       | 3,972                                 | 4,782                                                     | 996                       | 915                      | 1,217                                                     |
| 1969 | 3,837                                       | 3,511                                 | 4,406                                                     | 978                       | 888                      | 1,137                                                     |
| 1970 | 4,007                                       | 3,697                                 | 4,530                                                     | 1,019                     | 940                      | 1,149                                                     |
| 1971 | 3,914                                       | 3,625                                 | 4,356                                                     | 1,018                     | 920                      | 1,172                                                     |
| 1972 | 3,934                                       | 3,711                                 | 4,236                                                     | 1,019                     | 944                      | 1,127                                                     |
| 1973 | 3,890                                       | 3,668                                 | 4,157                                                     | 1,026                     | 955                      | 1,115                                                     |
| 1974 | 4,101                                       | 3,959                                 | 4,270                                                     | 1,078                     | 1,003                    | 1,172                                                     |
| 1975 | 3,966                                       | 3,791                                 | 4,180                                                     | 1,038                     | 959                      | 1,149                                                     |
| 1976 | 3,836                                       | 3,771                                 | 3,908                                                     | 1,038                     | 984                      | 1,100                                                     |
| 1977 | 3,938                                       | 3,830                                 | 4,050                                                     | 1,072                     | 1,004                    | 1,149                                                     |
| 1978 | 3,983                                       | 3,791                                 | 4,174                                                     | 1,102                     | 1,017                    | 1,195                                                     |
| 1979 | 4,081                                       | 3,880                                 | 4,296                                                     | 1,119                     | 1,040                    | 1,210                                                     |
| 1980 | 4,136                                       | 4,005                                 | 4,280                                                     | 1,138                     | 1,041                    | 1,256                                                     |
| 1981 | 4,234                                       | 4,034                                 | 4,455                                                     | 1,167                     | 1,052                    | 1,311                                                     |
| 1982 | 4,425                                       | 4,254                                 | 4,630                                                     | 1,215                     | 1,109                    | 1,359                                                     |
| 1983 | 4,426                                       | 4,188                                 | 4,700                                                     | 1,216                     | 1,083                    | 1,391                                                     |
| 1984 | 4,389                                       | 4,192                                 | 4,591                                                     | 1,220                     | 1,087                    | 1,379                                                     |
| 1985 | 4,359                                       | 4,108                                 | 4,616                                                     | 1,235                     | 1,093                    | 1,400                                                     |
| 1986 | 4,394                                       | 4,064                                 | 4,688                                                     | 1,260                     | 1,085                    | 1,439                                                     |

<sup>1</sup> In constant 1986 dollars.

<sup>2</sup> Includes all married-couple families and families with a male householder and no spouse present.

Source: Littman, Mark S., 1989, Poverty in the 1980's: Are the poor getting poorer? *Monthly Labor Review* 112(6):13-18, U.S. Department of Labor, Bureau of Labor Statistics.

experienced increases in average income deficit during the 1980's, the overall increase cannot be attributed to the growth in the proportion of poor families headed by a woman.

### Deficit Per Family Member

Calculating the deficit per family member controls for changes in family size over time, as well as differences in family size among different types of families. The overall deficit per family member, in constant 1986 dollars, has remained at a higher level in the 1980's than during any prior decade and shows no evidence of decreasing, having reached \$1,260 in 1986. The overall deficit per family member varied only slightly (between \$1,102 and \$1,108) during the 1970's and was \$1,068 in 1959.

The increase in the 1980's appears to be chiefly the result of an increase in the deficit per family member for persons in female-headed families. The deficit per family member has been higher for female-headed families throughout the 1959-86 period and increased from \$1,210 in 1979 to \$1,439 in 1986. Comparable figures for married-couple families or families with a male as head with no wife present varied only between \$1,040 and \$1,109 during the 1980's. Although not increasing, the latter deficit has shown no sign of lessening in this decade.

### Noncash Benefits

If, on average, poor households were receiving more noncash benefits per household during the 1980's, it would explain at least some of the apparent growth (or stability in the case of male-headed families) in the average income deficit of poor families. However, the average market value of noncash benefits for poor families (in 1986 dollars) was actually less in 1986 (\$4,088) than in 1979 (\$4,221); noncash benefits in the form of food and housing declined by \$195 and \$1,060, whereas that for medical benefits rose by \$63 between 1979 and 1986.

### Conclusion

Regardless of the income measure used, the poor appear to be no better off in the 1980's than they were in the 1960's and 1970's. Also, the average market value of noncash benefits has generally decreased during the 1980's. Although improving economic conditions have reduced the number of poor in the last few years, on average, those that fell below the poverty level in any given year in the 1980's have not come any closer to their poverty threshold.

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Source: Littman, Mark S., 1989, Poverty in the 1980's: Are the poor getting poorer? *Monthly Labor Review* 112(6):13-18, U.S. Department of Labor, Bureau of Labor Statistics.

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### Spending for Food

Food expenditures in the United States<sup>1</sup> totaled \$473 billion in 1988, 5% more than in 1987. Spending for food to be eaten at home rose 4% and spending for meals and snacks eaten away from home rose 6% from 1987.

In real terms (adjusted for inflation) overall food expenditures increased 46% between 1965 and 1988, as population increased 27%. Real spending for food at home rose 29% during the same period, less than the 87% increase in spending for meals and snacks away from home. One reason for this difference is that people are eating out more as incomes rise and as more women enter the work force. Also, prices for meals and snacks have risen faster than those for food at home.

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<sup>1</sup>Include food paid for with food stamps or donated by the Government, meals in military and prison mess halls, and business meals. About 16% of total food expenditures in 1987 were made by governments and businesses.

The share of food spending for away-from-home meals and snacks rose from 30% in 1965 to 39% in 1980, and to 45% in 1988. Because prices for food eaten away from home include the cost of preparing and serving the food, the away-from-home share of the quantity of food purchased was only 24% in 1965, 29% in 1980, and 31% in 1988.

In 1988 individuals and families spent \$410 billion for food. This figure includes purchases using food stamps since food stamps are included as income. Food accounted for 11.8% of after-tax income in 1988, compared with 15.3% in 1965. The proportion of income spent on food was much higher in low-income households than in high-income households; those in the lowest income quintile averaged 42% and those in the highest quintile, 9%.

The farm value of food accounted for 25% of the food dollar in 1988. For food at home the proportion was higher, 30%, than for food away from home, 16%.

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Source: Blaylock, James, Howard Elitzak, and Alden Manchester, 1989, Food expenditures, *National Food Review*, A-J 89/16, U.S. Department of Agriculture, Economic Research Service.

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# Earnings of Married-Couple Families

The working wife has become an integral feature of the American economy and an important influence on the economic level of the family. In 1987 both husband and wife had earnings in over two-thirds (67%) of the 43.5 million married-couple families with at least one spouse employed. The mean earnings of all dual-earner couples was \$41,690; in families where both spouses worked full time, year round, mean earnings

were \$49,025. These data were obtained in the March 1988 Current Population Survey, conducted by the Bureau of the Census.

There were substantial increases in real terms in the mean earnings of wives compared with husbands' earnings over the 1981-87 period. In 1987 wives had mean earnings of \$13,245, 2% higher in constant dollars than the 1986 level. The difference was significant at the 90% level of confidence. Between 1981 and 1987 wives' earnings increased by 23%. The 1987 mean earnings of husbands was not significantly different from 1986, and the change between 1981 and 1987 was only 12%.

Wives in each of the work experience categories shown in table registered increases in earnings between 1981 and 1987. In contrast, only husbands who worked full time for 40 or more weeks during the year showed increased earnings over this period. Between 1981 and 1987, the percent change in real mean earnings of working wives with one or more children under age 18 was 28% compared with 12% for corresponding working husbands. The percent change since 1981 for wives with 4 years of college was 32%, versus 14% for husbands.

Overall, 41.1 million husbands were employed in 1987 with mean earnings of \$29,154. Those who worked full time, year round, earned an average of \$33,005. Earnings were somewhat higher for husbands who worked full time, year round, but whose wives were not employed, \$37,067.

Mean earnings were \$13,245 for the 31.4 million working wives in 1987. About 51% of these women worked full time, year round, with average earnings of \$18,929. About one-third of all wives with earnings were employed part time; their mean earnings were \$5,959.

Approximately 5.3 million wives had earnings greater than their husbands. This number represents about 18% of the 29.1 million married couples in which both spouses were earners. Wives earning more than their husbands were more likely than other wives to be working in year-round full-time jobs, have no children at home, and have completed some college.

Source: U.S. Department of Commerce, Bureau of the Census, 1989, Earnings of Married-Couple Families: 1987, Current Population Reports, Series P-60, No. 165.

**Mean earnings of husbands and wives and percent change of real income, by selected characteristics, 1987**

| Characteristic                      | Mean earnings |          | Percent change, real income, 1981-87 |       |
|-------------------------------------|---------------|----------|--------------------------------------|-------|
|                                     | Husbands      | Wives    | Husbands                             | Wives |
| Total, 15 years and over .....      | \$29,154      | \$13,245 | *11.8                                | *23.3 |
| Age (years):                        |               |          |                                      |       |
| 15 - 24 .....                       | 15,028        | 8,791    | - 2.8                                | * 9.4 |
| 25 - 34 .....                       | 25,238        | 13,077   | * 7.9                                | *18.7 |
| 35 - 44 .....                       | 33,166        | 14,764   | * 9.8                                | *31.5 |
| 45 - 54 .....                       | 34,648        | 14,094   | *15.8                                | *22.5 |
| 55 - 64 .....                       | 28,727        | 12,251   | * 5.1                                | *11.1 |
| 65 and over .....                   | 16,132        | 7,581    | *21.1                                | 10.3  |
| Age of own children under 18 years: |               |          |                                      |       |
| No own children .....               | 27,755        | 14,256   | *11.7                                | *18.9 |
| One or more own children .....      | 30,256        | 12,395   | *12.1                                | *27.5 |
| All under 6 .....                   | 28,181        | 12,163   | *19.6                                | *31.9 |
| Some under 6, some 6 - 17 .....     | 29,564        | 10,732   | *12.9                                | *30.6 |
| All 6 - 17 .....                    | 31,636        | 13,067   | * 9.1                                | *25.7 |
| Work experience:                    |               |          |                                      |       |
| Worked at full-time jobs .....      | 30,606        | 16,603   | *12.0                                | *21.3 |
| 50 - 52 weeks .....                 | 33,005        | 18,929   | *11.0                                | *15.9 |
| 40 - 49 weeks .....                 | 22,498        | 14,089   | * 5.6                                | *13.7 |
| 27 - 39 weeks .....                 | 16,609        | 11,212   | - 1.7                                | *27.7 |
| 26 weeks or less .....              | 9,414         | 4,856    | 13.7                                 | *14.4 |
| Worked at part-time jobs .....      | 8,790         | 5,959    | 2.9                                  | *24.5 |
| 50 - 52 weeks .....                 | 12,196        | 8,387    | 4.5                                  | *14.2 |
| 49 weeks or less .....              | 6,013         | 3,770    | - 6.5                                | *17.6 |
| Years of school completed:          |               |          |                                      |       |
| Less than 12 .....                  | 18,048        | 8,081    | * 4.8                                | * 8.4 |
| High school (4 years) .....         | 24,483        | 11,373   | * 3.3                                | *15.3 |
| College:                            |               |          |                                      |       |
| 1 - 3 .....                         | 29,179        | 13,872   | * 8.7                                | *18.7 |
| 4 .....                             | 38,973        | 17,599   | *14.1                                | *31.9 |
| 5 or more .....                     | 46,853        | 22,769   | *14.1                                | *22.2 |

\* Statistically significant change at the 90% confidence level.

Source: U.S. Department of Commerce, Bureau of the Census, 1989, Earnings of Married-Couple Families: 1987, Current Population Reports, Series P-60, No. 165.

# Young Unwed Fathers

Young unwed fathers are a demographically heterogeneous group — from all racial and ethnic backgrounds, from all socioeconomic strata, and from both urban and rural communities. Yet as a group, these unwed fathers tend to be educationally disadvantaged and face poor prospects for employment. The majority live with their parents; few live with their children. In other respects, black youth who father children outside of marriage are not very different from their peers who have not become fathers. White unwed fathers, however, are more likely than their peers to have histories of socially deviant behavior such as drug use and criminal records.

**The Young Unwed Fathers Project** was designed to review, synthesize, and discuss available data and information about young unwed fathers. The objective of the study was to examine characteristics and profiles of the young unwed fathers population, as well as Federal and State programs and initiatives. The project was funded in part by the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services, and the Employment and Training Administration, U.S. Department of Labor. The study was a collaboration between ASPE, Catholic University of America, and MAXIMUS, Inc. A symposium was held in 1986 with invited panelists and guests, including policy officials and staff from Federal, State, and local governments, courts, universities, and service programs. The report includes summary findings from the 1986 invitational symposium of professionals and 10 commissioned working papers.

## Characteristics of Young Unwed Fathers

A primary national data source on unwed fathers used by many researchers was the National Longitudinal Study of Labor Force Behavior of Youth (NLS) conducted by the U.S. Department of Labor. This study, initiated in 1979, provides ongoing information on child-bearing, household and family status, educational attainment, employment and earnings, and family background. For this report 1984 data on approximately 6,400 males between the ages of 19 and 26 were examined.

**Fatherhood rates.** Population estimates of unwed fatherhood generated by 1984 data found that 7% (1.1 million) white, black, and Hispanic males ages 19 to 26 reported ever being unwed fathers. By individual race or ethnic group, 27% (599,000) of black males in this age class, 10% (94,000) of Hispanics, and 3% (420,000) of white males were ever unwed fathers. Although more than one-third of these unwed fathers had married by 1984 (not necessarily to the mother of their child), marriage was more likely for white and Hispanic unwed fathers (49% and 44%, respectively) than for black unwed fathers (24%). In 1984 nearly one-half of all 19- and 20-year-old fathers were not married.

**Socioeconomic background.** NLS data for 1984 also indicate that young men who are black or from low-income families are disproportionately represented in the population of unwed fathers; whereas only 4% of all men 19 to 26 years were never-married fathers, 20% of black men in this age group were never-married fathers.<sup>1</sup> Also, being raised in a family that received welfare in 1979 was a strong predictor of whether a young man was a never-married father in 1984.

<sup>1</sup> Underreporting of existing children was considerably higher among white than black never-married fathers.

**Living arrangements.** According to 1984 NLS data, 80% of never-married fathers ages 19 to 26 were not living with their children, 54% were living with at least one of their parents, 10% were living with other relatives, and 12% were living with a female partner. Black never-married fathers were more likely than white never-married fathers to be living with a parent (59% and 43%, respectively).

**Parental involvement.** In the NLS study, over one-half of unwed fathers 19 to 26 years old lived within 10 miles of their children and visited them at least once each week. Of these fathers who regularly visited their children, about one-half reported making child support payments. White unwed fathers were more likely than black or Hispanic unwed fathers to live far away from their children. NLS data also show that white and Hispanic unwed fathers were more likely to marry the mothers of at least one of their children than were black unwed fathers.

**Education, psychosocial behavior and employment.** Several researchers indicated that unwed fathers have a history of poor performance in school, or they drop out of school prior to parenthood. NLS data indicated there was a deficiency in basic academic skills among unwed fathers. NLS fathers in 1984 had poorer school and work backgrounds, higher incidences of cocaine and heroin use, and greater incidences of criminal activity than young males of the same race who did not become unwed fathers.

## Other Sources of Data

The National Institute of Child Health and Human Development currently supports several studies of family dynamics that will provide information on the behavior of unwed fathers in the future. These include:

- The National Study of Families and Households (University of Wisconsin)

- The National Longitudinal Survey of the High School Class of 1972 (U.S. Department of Education).
- The Youth Cohort of the National Longitudinal Survey (U.S. Department of Labor)
- The National Survey of Children (Child Trends, Inc. and Brandeis University)

## Programs

Several federally mandated programs, administered at the state and local level, are designed to assist in the well-being of unwed parents and their children.

**The Child Support Enforcement Program** administered by the Office of Child Support Enforcement in the Family Support Administration, U.S. Department of Health and Human Services, is designed to ensure that parents fulfill their responsibility to support their children whether or not they live with these children. In 1985, less than 18% of unwed mothers 18 years and older had court-ordered child support arrangements, compared with 82% of divorced and 43% of separated mothers. About 14% of unwed mothers reported actually receiving any support from their children's fathers. For mothers who received U.S. Government-sponsored Aid to Families with Dependent Children (see below), these percentages were even lower. Many young fathers paid no child support because they were unemployed or lacked sufficient education or basic skills to obtain jobs.

One of the public assistance programs, **Aid to Families with Dependent Children (AFDC)**, is the major source of financial support for large numbers of unwed mothers who are required, as a condition of receiving benefits, to identify and cooperate in locating the children's fathers in order that paternity proceedings can be initiated. This public assistance benefit in the form of cash assistance varies in amount from State to State and by type of household composition. Other public assistance programs, such as

**Medicaid and Food Stamps**, and public housing provide aid to unwed parents. In 1985 one researcher reported mothers who had their first child as a teenager received \$8 billion of the \$16 billion AFDC budget, plus \$3 billion in Food Stamps and \$5 billion in Medicaid.

More employment and training programs have targeted young mothers than young fathers. Both the public and private sectors have expressed the need to address young fathers in such programs. Also, although there are hundreds of adolescent pregnancy and parenting programs for pregnant teenagers and young mothers, few of these programs have accommodated young fathers. Moreover, there are few programs designed exclusively for fathers. Preliminary evidence from research suggests that reaching out to young fathers and encouraging them to become involved in parenting is helpful to the mothers, the children, and themselves.

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Source: Smollar, Jacqueline, and Theodora Ooms, 1988, Young Unwed Fathers: Research Review, Policy Dilemmas and Options, Summary report, U.S. Department of Health and Human Services, Catholic University of America, and MAXIMUS, Inc. collaborating.

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# Updated Estimates of the Cost of Raising a Child

The cost of raising urban children: June 1989; moderate-cost level<sup>1</sup>

| Region and age of child (years) | Total   | Food at home <sup>2</sup> | Food away from home | Clothing | Housing <sup>3</sup> | Medical care | Education | Transportation | All other <sup>4</sup> |
|---------------------------------|---------|---------------------------|---------------------|----------|----------------------|--------------|-----------|----------------|------------------------|
| <b>MIDWEST:</b>                 |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 5,138   | 680                       | 0                   | 157      | 2,164                | 392          | 0         | 965            | 780                    |
| 1 .....                         | 5,293   | 835                       | 0                   | 157      | 2,164                | 392          | 0         | 965            | 780                    |
| 2 - 3 .....                     | 4,931   | 835                       | 0                   | 256      | 1,902                | 392          | 0         | 840            | 706                    |
| 4 - 5 .....                     | 5,225   | 958                       | 171                 | 256      | 1,902                | 392          | 0         | 840            | 706                    |
| 6 .....                         | 5,489   | 927                       | 171                 | 354      | 1,803                | 392          | 184       | 840            | 818                    |
| 7 - 9 .....                     | 5,706   | 1,144                     | 171                 | 354      | 1,803                | 392          | 184       | 840            | 818                    |
| 10 - 11 .....                   | 5,922   | 1,360                     | 171                 | 354      | 1,803                | 392          | 184       | 840            | 818                    |
| 12 .....                        | 6,309   | 1,391                     | 205                 | 511      | 1,869                | 392          | 184       | 902            | 855                    |
| 13 - 15 .....                   | 6,464   | 1,546                     | 205                 | 511      | 1,869                | 392          | 184       | 902            | 855                    |
| 16 - 17 .....                   | 7,080   | 1,731                     | 205                 | 708      | 1,935                | 392          | 184       | 996            | 929                    |
| Total .....                     | 105,055 | 21,671                    | 2,598               | 6,922    | 34,100               | 7,056        | 2,208     | 15,930         | 14,570                 |
| <b>NORTHEAST:</b>               |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 5,096   | 804                       | 0                   | 157      | 2,197                | 392          | 0         | 840            | 706                    |
| 1 .....                         | 5,281   | 989                       | 0                   | 157      | 2,197                | 392          | 0         | 840            | 706                    |
| 2 - 3 .....                     | 5,146   | 958                       | 0                   | 275      | 2,000                | 392          | 0         | 778            | 743                    |
| 4 - 5 .....                     | 5,441   | 1,082                     | 171                 | 275      | 2,000                | 392          | 0         | 778            | 743                    |
| 6 .....                         | 5,883   | 1,082                     | 205                 | 374      | 1,967                | 392          | 230       | 778            | 855                    |
| 7 - 9 .....                     | 6,099   | 1,298                     | 205                 | 374      | 1,967                | 392          | 230       | 778            | 855                    |
| 10 - 11 .....                   | 6,377   | 1,576                     | 205                 | 374      | 1,967                | 392          | 230       | 778            | 855                    |
| 12 .....                        | 6,749   | 1,576                     | 205                 | 550      | 2,033                | 392          | 230       | 871            | 892                    |
| 13 - 15 .....                   | 6,935   | 1,762                     | 205                 | 550      | 2,033                | 392          | 230       | 871            | 892                    |
| 16 - 17 .....                   | 7,426   | 1,947                     | 240                 | 688      | 2,066                | 392          | 230       | 934            | 929                    |
| Total .....                     | 110,891 | 24,757                    | 2,872               | 7,234    | 36,460               | 7,056        | 2,760     | 14,812         | 14,940                 |
| <b>SOUTH:</b>                   |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 5,602   | 742                       | 0                   | 177      | 2,328                | 436          | 0         | 1,027          | 892                    |
| 1 .....                         | 5,756   | 896                       | 0                   | 177      | 2,328                | 436          | 0         | 1,027          | 892                    |
| 2 - 3 .....                     | 5,399   | 865                       | 0                   | 275      | 2,066                | 436          | 0         | 902            | 855                    |
| 4 - 5 .....                     | 5,663   | 958                       | 171                 | 275      | 2,066                | 436          | 0         | 902            | 855                    |
| 6 .....                         | 6,046   | 958                       | 205                 | 374      | 1,967                | 436          | 275       | 902            | 929                    |
| 7 - 9 .....                     | 6,232   | 1,144                     | 205                 | 374      | 1,967                | 436          | 275       | 902            | 929                    |
| 10 - 11 .....                   | 6,479   | 1,391                     | 205                 | 374      | 1,967                | 436          | 275       | 902            | 929                    |
| 12 .....                        | 6,893   | 1,391                     | 240                 | 550      | 2,033                | 436          | 275       | 965            | 1,003                  |
| 13 - 15 .....                   | 7,078   | 1,576                     | 240                 | 550      | 2,033                | 436          | 275       | 965            | 1,003                  |
| 16 - 17 .....                   | 7,587   | 1,731                     | 240                 | 708      | 2,099                | 436          | 275       | 1,058          | 1,040                  |
| Total .....                     | 114,483 | 22,037                    | 3,012               | 7,314    | 37,052               | 7,848        | 3,300     | 17,050         | 16,870                 |
| <b>WEST:</b>                    |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 5,523   | 742                       | 0                   | 157      | 2,263                | 479          | 0         | 1,027          | 855                    |
| 1 .....                         | 5,708   | 927                       | 0                   | 157      | 2,263                | 479          | 0         | 1,027          | 855                    |
| 2 - 3 .....                     | 5,421   | 896                       | 0                   | 256      | 2,033                | 479          | 0         | 902            | 855                    |
| 4 - 5 .....                     | 5,750   | 1,020                     | 205                 | 256      | 2,033                | 479          | 0         | 902            | 855                    |
| 6 .....                         | 6,212   | 989                       | 240                 | 374      | 2,000                | 479          | 230       | 934            | 966                    |
| 7 - 9 .....                     | 6,428   | 1,205                     | 240                 | 374      | 2,000                | 479          | 230       | 934            | 966                    |
| 10 - 11 .....                   | 6,707   | 1,484                     | 240                 | 374      | 2,000                | 479          | 230       | 934            | 966                    |
| 12 .....                        | 7,060   | 1,484                     | 240                 | 531      | 2,066                | 479          | 230       | 1,027          | 1,003                  |
| 13 - 15 .....                   | 7,214   | 1,638                     | 240                 | 531      | 2,066                | 479          | 230       | 1,027          | 1,003                  |
| 16 - 17 .....                   | 7,905   | 1,855                     | 274                 | 668      | 2,164                | 479          | 230       | 1,120          | 1,115                  |
| Total .....                     | 116,995 | 23,181                    | 3,358               | 7,042    | 37,250               | 8,622        | 2,760     | 17,614         | 17,168                 |

<sup>1</sup> Annual cost of raising a child from birth to age 18, by age, in a husband-wife family with no more than 5 children. For more information on these and additional child cost estimates, see USDA Miscellaneous Publication No. 1411, "USDA Estimates of the Cost of Raising a Child: A Guide to Their Use and Interpretation," by Carolyn S. Edwards, Family Economics Research Group, Agricultural Research Service, USDA.

<sup>2</sup> Includes home-produced food and school lunches.

<sup>3</sup> Includes shelter, fuel, utilities, household operations, furnishings, and equipment.

<sup>4</sup> Includes personal care, recreation, reading, and other miscellaneous expenditures.

# The cost of raising rural nonfarm children: June 1989; moderate-cost level<sup>1</sup>

| Region and age of child (years) | Total   | Food at home <sup>2</sup> | Food away from home | Clothing | Housing <sup>3</sup> | Medical care | Education | Transportation | All other <sup>4</sup> |
|---------------------------------|---------|---------------------------|---------------------|----------|----------------------|--------------|-----------|----------------|------------------------|
| <b>MIDWEST:</b>                 |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 4,854   | 618                       | 0                   | 138      | 2,066                | 392          | 0         | 934            | 706                    |
| 1 .....                         | 5,009   | 773                       | 0                   | 138      | 2,066                | 392          | 0         | 934            | 706                    |
| 2 - 3 .....                     | 4,455   | 742                       | 0                   | 216      | 1,738                | 349          | 0         | 778            | 632                    |
| 4 - 5 .....                     | 4,715   | 865                       | 137                 | 216      | 1,738                | 349          | 0         | 778            | 632                    |
| 6 .....                         | 5,123   | 865                       | 171                 | 334      | 1,705                | 349          | 184       | 809            | 706                    |
| 7 - 9 .....                     | 5,309   | 1,051                     | 171                 | 334      | 1,705                | 349          | 184       | 809            | 706                    |
| 10 - 11 .....                   | 5,556   | 1,298                     | 171                 | 334      | 1,705                | 349          | 184       | 809            | 706                    |
| 12 .....                        | 5,966   | 1,298                     | 171                 | 511      | 1,771                | 349          | 184       | 902            | 780                    |
| 13 - 15 .....                   | 6,121   | 1,453                     | 171                 | 511      | 1,771                | 349          | 184       | 902            | 780                    |
| 16 - 17 .....                   | 6,572   | 1,607                     | 205                 | 629      | 1,803                | 392          | 184       | 934            | 818                    |
| Total .....                     | 97,838  | 20,090                    | 2,394               | 6,446    | 32,004               | 6,454        | 2,208     | 15,310         | 12,932                 |
| <b>NORTHEAST:</b>               |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 5,637   | 742                       | 0                   | 157      | 2,328                | 392          | 0         | 1,089          | 929                    |
| 1 .....                         | 5,791   | 896                       | 0                   | 157      | 2,328                | 392          | 0         | 1,089          | 929                    |
| 2 - 3 .....                     | 5,532   | 865                       | 0                   | 256      | 2,131                | 392          | 0         | 996            | 892                    |
| 4 - 5 .....                     | 5,861   | 989                       | 205                 | 256      | 2,131                | 392          | 0         | 996            | 892                    |
| 6 .....                         | 6,331   | 989                       | 240                 | 374      | 2,099                | 392          | 275       | 996            | 966                    |
| 7 - 9 .....                     | 6,517   | 1,175                     | 240                 | 374      | 2,099                | 392          | 275       | 996            | 966                    |
| 10 - 11 .....                   | 6,795   | 1,453                     | 240                 | 374      | 2,099                | 392          | 275       | 996            | 966                    |
| 12 .....                        | 7,192   | 1,453                     | 240                 | 570      | 2,164                | 392          | 275       | 1,058          | 1,040                  |
| 13 - 15 .....                   | 7,377   | 1,638                     | 240                 | 570      | 2,164                | 392          | 275       | 1,058          | 1,040                  |
| 16 - 17 .....                   | 8,008   | 1,824                     | 274                 | 747      | 2,230                | 392          | 275       | 1,151          | 1,115                  |
| Total .....                     | 119,025 | 22,781                    | 3,358               | 7,356    | 38,890               | 7,056        | 3,300     | 18,672         | 17,612                 |
| <b>SOUTH:</b>                   |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 5,820   | 742                       | 0                   | 177      | 2,328                | 436          | 0         | 1,245          | 892                    |
| 1 .....                         | 5,943   | 865                       | 0                   | 177      | 2,328                | 436          | 0         | 1,245          | 892                    |
| 2 - 3 .....                     | 5,391   | 835                       | 0                   | 275      | 2,000                | 436          | 0         | 1,027          | 818                    |
| 4 - 5 .....                     | 5,719   | 958                       | 205                 | 275      | 2,000                | 436          | 0         | 1,027          | 818                    |
| 6 .....                         | 5,995   | 927                       | 205                 | 374      | 1,935                | 436          | 230       | 996            | 892                    |
| 7 - 9 .....                     | 6,181   | 1,113                     | 205                 | 374      | 1,935                | 436          | 230       | 996            | 892                    |
| 10 - 11 .....                   | 6,428   | 1,360                     | 205                 | 374      | 1,935                | 436          | 230       | 996            | 892                    |
| 12 .....                        | 6,891   | 1,360                     | 240                 | 570      | 2,000                | 436          | 230       | 1,089          | 966                    |
| 13 - 15 .....                   | 7,046   | 1,515                     | 240                 | 570      | 2,000                | 436          | 230       | 1,089          | 966                    |
| 16 - 17 .....                   | 7,633   | 1,700                     | 274                 | 806      | 2,033                | 436          | 230       | 1,151          | 1,003                  |
| Total .....                     | 114,672 | 21,484                    | 3,148               | 7,590    | 36,332               | 7,848        | 2,760     | 19,232         | 16,278                 |
| <b>WEST:</b>                    |         |                           |                     |          |                      |              |           |                |                        |
| Under 1 .....                   | 6,062   | 742                       | 0                   | 157      | 2,361                | 479          | 0         | 1,245          | 1,078                  |
| 1 .....                         | 6,216   | 896                       | 0                   | 157      | 2,361                | 479          | 0         | 1,245          | 1,078                  |
| 2 - 3 .....                     | 5,614   | 865                       | 0                   | 256      | 2,033                | 436          | 0         | 1,058          | 966                    |
| 4 - 5 .....                     | 5,943   | 989                       | 205                 | 256      | 2,033                | 436          | 0         | 1,058          | 966                    |
| 6 .....                         | 6,446   | 958                       | 205                 | 393      | 2,000                | 479          | 275       | 1,058          | 1,078                  |
| 7 - 9 .....                     | 6,663   | 1,175                     | 205                 | 393      | 2,000                | 479          | 275       | 1,058          | 1,078                  |
| 10 - 11 .....                   | 6,910   | 1,422                     | 205                 | 393      | 2,000                | 479          | 275       | 1,058          | 1,078                  |
| 12 .....                        | 7,375   | 1,422                     | 240                 | 590      | 2,066                | 479          | 275       | 1,151          | 1,152                  |
| 13 - 15 .....                   | 7,560   | 1,607                     | 240                 | 590      | 2,066                | 479          | 275       | 1,151          | 1,152                  |
| 16 - 17 .....                   | 8,270   | 1,824                     | 274                 | 688      | 2,197                | 479          | 275       | 1,307          | 1,226                  |
| Total .....                     | 122,242 | 22,564                    | 3,148               | 7,432    | 37,512               | 8,450        | 3,300     | 20,288         | 19,548                 |

<sup>1</sup> Annual cost of raising a child from birth to age 18, by age, in a husband-wife family with no more than 5 children. For more information on these and additional child cost estimates, see USDA Miscellaneous Publication No. 1411, "USDA Estimates of the Cost of Raising a Child: A Guide to Their Use and Interpretation," by Carolyn S. Edwards, Family Economics Research Group, Agricultural Research Service, USDA.

<sup>2</sup> Includes home-produced food and school lunches.

<sup>3</sup> Includes shelter, fuel, utilities, household operations, furnishings, and equipment.

<sup>4</sup> Includes personal care, recreation, reading, and other miscellaneous expenditures.

# Cost of Food at Home

Cost of food at home estimated for food plans at four cost levels, August 1989, U.S. average<sup>1</sup>

| Sex-age group                      | Cost for 1 week |               |                    |              | Cost for 1 month |               |                    |              |
|------------------------------------|-----------------|---------------|--------------------|--------------|------------------|---------------|--------------------|--------------|
|                                    | Thrifty plan    | Low-cost plan | Moderate-cost plan | Liberal plan | Thrifty plan     | Low-cost plan | Moderate-cost plan | Liberal plan |
| <b>FAMILIES</b>                    |                 |               |                    |              |                  |               |                    |              |
| Family of 2: <sup>2</sup>          |                 |               |                    |              |                  |               |                    |              |
| 20-50 years .....                  | \$45.20         | \$56.60       | \$70.10            | \$87.00      | \$195.90         | \$245.70      | \$303.50           | \$377.10     |
| 51 years and over .....            | 42.70           | 54.40         | 67.10              | 80.40        | 185.10           | 235.80        | 291.20             | 348.60       |
| Family of 4:                       |                 |               |                    |              |                  |               |                    |              |
| Couple, 20-50 years and children — |                 |               |                    |              |                  |               |                    |              |
| 1-2 and 3-5 years .....            | 65.70           | 81.40         | 99.70              | 122.30       | 284.90           | 353.30        | 431.90             | 530.30       |
| 6-8 and 9-11 years .....           | 75.40           | 95.70         | 119.90             | 144.30       | 326.60           | 415.10        | 519.60             | 625.50       |
| <b>INDIVIDUALS <sup>3</sup></b>    |                 |               |                    |              |                  |               |                    |              |
| Child:                             |                 |               |                    |              |                  |               |                    |              |
| 1-2 years .....                    | 11.80           | 14.30         | 16.70              | 20.10        | 51.30            | 62.10         | 72.40              | 87.30        |
| 3-5 years .....                    | 12.80           | 15.60         | 19.30              | 23.10        | 55.50            | 67.80         | 83.60              | 100.20       |
| 6-8 years .....                    | 15.70           | 20.70         | 25.90              | 30.20        | 67.90            | 89.70         | 112.30             | 130.80       |
| 9-11 years .....                   | 18.60           | 23.50         | 30.30              | 35.00        | 80.60            | 102.00        | 131.40             | 151.90       |
| Male:                              |                 |               |                    |              |                  |               |                    |              |
| 12-14 years .....                  | 19.50           | 26.70         | 33.40              | 39.10        | 84.30            | 115.70        | 144.60             | 169.40       |
| 15-19 years .....                  | 20.20           | 27.60         | 34.30              | 39.80        | 87.70            | 119.70        | 148.50             | 172.40       |
| 20-50 years .....                  | 21.60           | 27.40         | 34.40              | 41.60        | 93.60            | 118.90        | 148.90             | 180.20       |
| 51 years and over .....            | 19.60           | 26.10         | 32.10              | 38.50        | 85.00            | 113.10        | 139.30             | 167.00       |
| Female:                            |                 |               |                    |              |                  |               |                    |              |
| 12-19 years .....                  | 19.40           | 23.10         | 28.10              | 33.90        | 83.90            | 100.20        | 121.60             | 146.90       |
| 20-50 years .....                  | 19.50           | 24.10         | 29.30              | 37.50        | 84.50            | 104.50        | 127.00             | 162.60       |
| 51 years and over .....            | 19.20           | 23.40         | 28.90              | 34.60        | 83.30            | 101.30        | 125.40             | 149.90       |

<sup>1</sup> Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for the thrifty food plan were computed from quantities of foods published in *Family Economics Review* 1984(1). Estimates for the other plans were computed from quantities of foods published in *Family Economics Review* 1983(2). The costs of the food plans are estimated by updating prices paid by households surveyed in 1977-78 in USDA's Nationwide Food Consumption Survey. USDA updates these survey prices using information from the Bureau of Labor Statistics, *CPI Detailed Report*, table 3, to estimate the costs for the food plans.

<sup>2</sup> 10 percent added for family size adjustment. See footnote 3.

<sup>3</sup> The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person — add 20%; 2-person — add 10%; 3-person — add 5%; 5- or 6-person — subtract 5%; 7- or more-person — subtract 10%.



# Consumer Prices

Consumer Price Index for all urban consumers [1982-84 = 100]

| Group                                               | Unadjusted indexes |              |              |                |
|-----------------------------------------------------|--------------------|--------------|--------------|----------------|
|                                                     | August<br>1989     | July<br>1989 | June<br>1989 | August<br>1988 |
| All items .....                                     | 124.6              | 124.4        | 124.1        | 119.0          |
| Food .....                                          | 125.8              | 125.5        | 125.0        | 119.4          |
| Food at home .....                                  | 124.9              | 124.8        | 124.3        | 118.1          |
| Food away from home .....                           | 128.1              | 127.8        | 127.1        | 122.5          |
| Housing .....                                       | 124.2              | 123.9        | 122.9        | 119.5          |
| Shelter .....                                       | 134.1              | 133.6        | 132.3        | 128.2          |
| Renters' costs <sup>1</sup> .....                   | 141.5              | 141.5        | 138.7        | 135.6          |
| Homeowners' costs <sup>1</sup> .....                | 138.1              | 137.3        | 136.5        | 131.8          |
| Household insurance <sup>1</sup> .....              | 133.3              | 133.1        | 132.8        | 130.1          |
| Maintenance and repairs .....                       | 118.5              | 118.4        | 118.3        | 115.0          |
| Maintenance and repair services .....               | 121.3              | 121.1        | 121.0        | 118.1          |
| Maintenance and repair commodities .....            | 114.8              | 115.0        | 114.7        | 110.8          |
| Fuel and other utilities .....                      | 109.7              | 109.7        | 109.2        | 106.1          |
| Fuel oil and other household fuel commodities ..... | 78.9               | 79.7         | 80.2         | 76.3           |
| Gas (piped) and electricity .....                   | 111.3              | 111.1        | 110.5        | 108.3          |
| Household furnishings and operation .....           | 111.4              | 111.4        | 111.1        | 109.7          |
| Housefurnishings .....                              | 105.2              | 105.5        | 105.1        | 105.3          |
| Housekeeping supplies .....                         | 122.3              | 121.7        | 121.2        | 114.8          |
| Housekeeping services .....                         | 117.5              | 117.3        | 117.4        | 115.1          |
| Apparel and upkeep .....                            | 115.0              | 115.0        | 117.8        | 112.6          |
| Apparel commodities .....                           | 112.8              | 112.9        | 115.8        | 110.7          |
| Men's and boys' apparel .....                       | 114.7              | 114.7        | 115.9        | 111.6          |
| Women's and girl's apparel .....                    | 109.5              | 109.6        | 114.8        | 109.9          |
| Infants' and toddlers apparel .....                 | 116.7              | 117.9        | 123.9        | 118.2          |
| Footwear .....                                      | 112.6              | 113.4        | 114.0        | 107.4          |
| Apparel services .....                              | 129.4              | 129.4        | 130.0        | 124.0          |
| Transportation .....                                | 114.3              | 115.4        | 115.9        | 109.6          |
| Private transportation .....                        | 113.1              | 114.3        | 114.9        | 108.6          |
| New vehicles .....                                  | 117.7              | 118.5        | 118.9        | 115.9          |
| Used cars .....                                     | 120.3              | 121.1        | 121.3        | 119.2          |
| Motor fuel .....                                    | 91.0               | 94.4         | 96.0         | 84.1           |
| Automobile maintenance and repair .....             | 125.4              | 124.8        | 124.5        | 120.3          |
| Other private transportation .....                  | 135.7              | 135.6        | 135.9        | 128.7          |
| Other private transportation commodities .....      | 102.0              | 101.3        | 101.9        | 99.2           |
| Other private transportation services .....         | 142.9              | 143.0        | 143.2        | 134.8          |
| Public transportation .....                         | 130.1              | 129.7        | 129.6        | 123.7          |
| Medical care .....                                  | 150.7              | 149.7        | 148.5        | 139.9          |
| Medical care commodities .....                      | 152.1              | 151.4        | 151.0        | 141.1          |
| Medical care services .....                         | 150.4              | 149.3        | 147.9        | 139.6          |
| Professional medical services .....                 | 147.5              | 147.0        | 146.1        | 138.7          |
| Entertainment .....                                 | 127.3              | 126.9        | 126.2        | 120.7          |
| Entertainment commodities .....                     | 120.0              | 119.9        | 119.5        | 115.4          |
| Entertainment services .....                        | 136.7              | 136.1        | 135.0        | 128.1          |
| Other goods and services .....                      | 148.7              | 147.3        | 146.3        | 137.5          |
| Personal care .....                                 | 125.6              | 124.8        | 124.5        | 119.0          |
| Toilet goods and personal care appliances .....     | 123.8              | 122.8        | 122.2        | 117.2          |
| Personal care services .....                        | 127.3              | 126.9        | 127.0        | 121.0          |
| Personal and educational expenses .....             | 158.1              | 156.3        | 155.8        | 147.8          |
| School books and supplies .....                     | 156.6              | 155.8        | 155.6        | 146.9          |
| Personal and educational services .....             | 158.4              | 156.5        | 156.0        | 148.1          |

<sup>1</sup> Indexes on a December 1982 = 100 base.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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## **Highlights**

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**Funeral Expenditures**

**Household Expenditures for Services:**

**Apparel**

**Housekeeping, Including Child Care**

**Entertainment**